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MINNESOTA COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 1990

STATE OF MINNESOTA

1858

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 1990

PREPARED BY
DEPARTMENT OF FINANCE
PETER C. HUTCHINSON, COMMISSIONER
400 CENTENNIAL BUILDING
658 CEDAR STREET
ST. PAUL, MINNESOTA 55155

STATE OF MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 1990

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INTRODUCTION

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1858

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
ST. PAUL 55155

RUDY PERPICH
GOVERNOR

December 28, 1990

I am very pleased to transmit Minnesota's Annual Financial Report for fiscal year 1990.

This report demonstrates what a commitment to fiscal stability and a healthy economy can have on a state's finances.

Minnesota's economy has continued to out perform the nation especially in its above-average growth of manufacturing jobs. These jobs add to the base of our economy, and in so doing, strengthen our fiscal foundation. Especially important has been job growth outside the Twin Cities metropolitan area. This growth has helped diversify the economic base in parts of our state that were hardest hit by the 1982-83 recession, world-wide competition, and major changes in the farm economy.

The impact of Minnesota's economy on its finances is perhaps most obvious in our revenues. 1990 revenues from our major taxes (personal income, sales, motor vehicle excise, and corporate) increased by $476 million or 9.5% over 1989. This revenue growth, combined with our $550 million reserve fund and a beginning budgetary balance of $360 million, provided assurance of fiscal stability throughout the year.

Minnesota's ability to effectively manage its fiscal affairs was well recognized this last year. Financial World Magazine named Minnesota as the third best managed state in the nation. The Government Finance Officers Association, for the fifth consecutive year, awarded Minnesota its Certificate of Achievement for Excellence in Financial Reporting. Both of these awards recognize our continuing commitment to strong fiscal management and full disclosure of the state's fiscal condition.

Sincerely,

Rudy Perpich

RUDY PERPICH
Governor

AN EQUAL OPPORTUNITY EMPLOYER
PRINTED ON RECYCLED PAPER

State of Minnesota
Department of Finance

400 Centennial Building
658 Cedar Street
St. Paul, Minnesota 55155
(612) 296-5900

December 15, 1990

The Honorable Rudy Perpich, Governor

Members of the Legislature

In accordance with Minnesota Statutes, Section 16A.50, we are submitting the Comprehensive Annual Financial Report for the state of Minnesota for the fiscal year ended June 30, 1990. This report includes the financial statements for the state and the disclosure necessary to accurately present the financial condition and results of operations for the year then ended. The report has been prepared in accordance with generally accepted accounting principles (GAAP) for governmental units.

The Department of Finance is responsible for the accuracy, fairness, and completeness of the financial statements, including all disclosures, presented in this report. We believe that the information presented is accurate in all material respects. All disclosures necessary for an understanding of the state's financial activities have been included. The financial statements have earned an unqualified audit opinion.

The report is divided into three sections: Introductory Section; Financial Section, including the auditor's opinion and basic financial statements; and the Statistical Section, containing financial and other data for prior and current years. The Notes to the Financial Statements, in the financial section, are necessary for an understanding of the information included in the statements. They include the Summary of Significant Accounting Policies and other necessary disclosure of matters relating to the financial position of the state.

All of the organizational units of the state which are controlled by or dependent upon the Legislature and the Constitutional Officers are included in this report. A more complete description of the state's reporting entity and the criteria used in defining it are provided in Note 1 to the financial statements.

ECONOMIC CONDITION AND OUTLOOK

Minnesota's economy is expected to follow the national economy into a mild recession in the fourth quarter of 1990. The length and severity of the recession depend heavily on

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MINNESOTA
1990

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activity in the Persian Gulf. If the Iraq-Kuwait crisis can be resolved before spring with little or no disruption in oil supplies, the economy should begin to recover by early summer. If a shooting war breaks out and production and distribution facilities are disrupted, the recession will be deeper and last longer.

Gross state product data prepared by the U.S. Department of Commerce show that Minnesota's economy follows the national economy closely during economic slowdowns. There is no reason to believe that Minnesota can escape this recession. Minnesota manufactuers produce for national markets and any cutback in demand for goods must eventually reach Minnesota suppliers. Minnesota's farm sector is stronger financially than in the early 1980's and defense contracting and financial services are less important in Minnesota than they are in some states. But, even with those advantages the state's economy is expected to follow this national economic decline.

This recession will eliminate slightly more than a year of growth in the national economy, and a similar amount of growth in state tax revenues. Minnesota, however, has one advantage over most states in dealing with that revenue loss. The state's $550 million budget reserve is available to cover a portion of the expected shortfall. The budget reserve provides state policy makers with time to formulate a long range plan for dealing with the budgetary problems. Without the reserve policy makers would be required to deal with the expected shortfall on a crisis basis, finding quick, short term solutions so the state could meet its constitutional obligation to end the biennium without a deficit. With the reserve policy makers have the opportunity to plan for a long term solution which minimizes the disruption to essential state services. The budget reserve has been a key element of Minnesota's risk management strategy. It is strong evidence of the state's commitment to prudent long term financial management.

MAJOR PROGRAM INITIATIVES

State/Local Issues

Through both executive and legislative branch leadership, Minnesota has continued to deal with several issues concerning the relationship between state funding and local government finances. A significant change started with the property tax reform package passed in the special session of the 1989 Legislature.

The 1989 Property Tax and Local Aids Reform Bill began the process of restructuring the state's complicated and expensive system of state support for local government operations. In addition to providing tax relief for classes of property having uncompetitively high tax rates, the 1989 bill began to establish new priorities for state funding and restructured about $600 million in state support for local government. State funding is now more targeted to state-mandated programs. These changes will tend to improve accountability and reduce future pressures for more state spending.

In another area affecting local government, the consolidation of court services begun by the 1989 Legislature was continued during fiscal year 1990. This project will eventually bring many of the court administrative services under the supervision of the Supreme Court. County levies provide funding for these services currently; under the consolidation plan they will be funded out of the General Fund. The funding increase from the General Fund will be offset by a corresponding decrease in various aids and credits to counties.

Education

A series of fiscal and policy innovations has been designed to meet the current challenges and better prepare Minnesota students for the future. As a result, an increased share of the state's budget is now being devoted to both elementary and secondary education as well as post secondary education.

"Access to excellence," a national model for increased student/parent choice, was initiated as a series of credit and transfer opportunities. High school students have the option to earn post secondary credit at no cost to student or parent. Both elementary and secondary students now have the option of attending the school of their choice with state aids transferring with them. In addition, state school aids are available for adults who are unemployed or on public assistance who want to complete high school.

In post secondary education, state scholarship and grant offerings have been increased substantially. A "mission differentiation" process continues to evaluate the most appropriate roles for the various components of Minnesota's state higher education system. This will lead to more complementary roles for the various systems and less duplication.

Environment

Forty percent of the net lottery proceeds were dedicated by the 1990 Legislature to the Environment and Natural Resources Trust Fund, created by a constitutional amendment in 1988. This past November, the voters approved a further amendment to the constitution which perpetuates the 40% dedication for ten years. A portion of these proceeds is available, until fiscal year 1997, for the purposes of protecting, preserving, conserving and enhancing the state's natural resources; after that only the investment earnings of the fund are available for these purposes.

Human Services

Initiatives in the human services area were generally in the form of improvements or expansion of current programs. The Pre-Admission Screening Alternative Care Grants program was enhanced with additional resources, and a new, more equitable formula for distributing funding was instituted. This program provides for screening of all applicants for nursing home care to determine if there is a more appropriate means of care available in the community.

Services that benefit children and their families were again a focus in the 1990 legislative session. The Medical Assistance program was expanded to provide extensive medical services to children ages 1-5 if the family's income is at or below 185% of the poverty level. Additionally, the state continued to expand its own Children's Health Plan (CHP) to children up to the age of 18. CHP provides a basic set of primary health services to all children in families under 185% of the poverty level. These program initiatives further the statewide goal of providing all children with access to basic health care services.

Children's mental health services were also enhanced. By 1992, this program will provide an array of children's mental health services in each county to the estimated 12% of all children who require treatment of emotional disturbance. Services include education and prevention services, emergency services, as well as an array of support and intervention services.

Minnesota will begin operation of a new veterans nursing home in the spring of 1991. This will bring the total number of state-run veterans' facilities to three. Furthermore, staffing for these facilities was substantially increased to provide higher staff to patient care ratios.

Finally, the Dislocated Workers Program was given substantial resources to provide job training and assistance to workers who lose their jobs because of plant closings and changing technology.

Public Safety/Corrections

A new drug and alcohol abuse program was approved by the 1990 Legislature. The funds appropriated will be used for prevention, crime control and chemical dependency treatment. The new program will build on Minnesota's substantial investment in chemical dependency treatment programs and on other known successes. The new program also helps to leverage federal funding for drug programs.

As law enforcement steps up efforts against drugs, and as the legislature lengthens and toughens sentences, the population of state correctional institutions will continue to climb dramatically. The 1990 Legislature provided a substantial increase in operating program funding and for an expansion of existing state facilities. It appears that this situation will continue, requiring increasing resources to meet the needs of future correctional programs.

Capital Budgeting

The 1990 Legislature passed a bonding bill of approximately $400 million, with the major project authorizations in the higher education and environmental areas. For nearly $250 million of these authorizations, part of the financing for debt service will come from a dedication of 35% of net proceeds from the state lottery. Additionally, for the higher education systems, one third of the debt service costs for their facilities must be provided by the systems themselves. This was part of a major thrust in the 1990 capital budget requiring that a portion of debt service be paid by the users of the facilities being financed through the bond proceeds.

Several reforms of the capital budget process were agreed upon. One such reform is the creation of a data base on the condition and suitability of state owned facilities that can be used in evaluating future capital requests and in allocating repair and maintenance funds. The legislature created a commission to make recommendations on reform of the capital budget process. The Governor created a task force of architects, engineers, and state officials to recommend policies on managing the physical assets owned by the state and on improving the analysis of proposed capital projects.

FINANCIAL INFORMATION

The Department of Finance is responsible for the statewide accounting system (SWAS) from which these financial statements were prepared. The SWAS is maintained on a budgetary basis of accounting. The budgetary basis recognizes revenues and expenditures essentially on a cash basis, except that encumbrances at year end are considered expenditures. Since this budgetary basis differs from GAAP, adjustments to accounting data are necessary to provide financial statements in accordance with GAAP. These differing bases result in the budgetary fund balances often being significantly different from those calculated under GAAP.

The Department of Finance is also responsible for designing and applying the state's system of internal accounting controls. These controls provide reasonable assurance that the state's assets are protected against loss and that the accounting records from which the financial statements were prepared are reliable. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefit derived.

Budget Process

The state's fiscal period is a biennium. The governor's biennial budget is presented to the legislature in January of the odd numbered years for the upcoming biennium. State statutes require a balanced budget. Specific legislative appropriations are required for several funds. These funds include the General, Trunk Highway, Highway User Tax Distribution, State Airports, Transit Assistance, Game and Fish, Natural Resources, Minnesota Resources, and Environmental Funds.

Budgetary control is provided primarily through the accounting system. Appropriations are established in the accounting system at the amounts provided in the appropriation laws. The accounting system does not permit expenditures in excess of these amounts.

General Fund

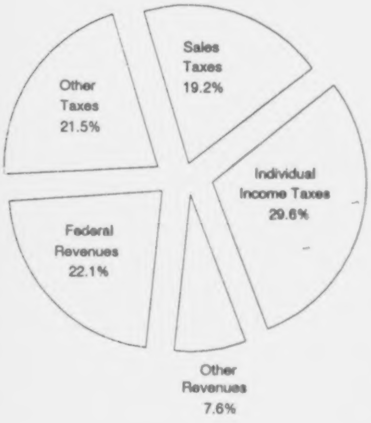
During fiscal year 1990 the total fund balance, on a GAAP basis, for the General Fund decreased by $28.9 million to $820.2 million. At June 30, 1990, the unreserved, undesignated portion of the fund balance was $106.7 million, after providing for the $550 million budgetary reserve. This is in comparison to the $198.2 million unreserved, undesignated fund balance at the end of fiscal year 1989. On a budgetary basis, the June 30, 1990, unrestricted (undesignated) fund balance for the General Fund was $261.2 million, compared to $359.9 at the end of 1989.

General Fund revenues and transfers-in totaled $6,385,483,328 for fiscal year 1990, up 8.8 percent from those for fiscal year 1989. General Fund expenditures and transfers-out for the year totaled $6,450,257,937, an increase of 11.7 percent from the previous year. Of this amount, $4,861,959,633 (75.4 percent), is in the form of grants and subsidies to local governments, individuals and non-profit organizations.

General Government Functions

General government functions are provided from the General, Special Revenue, Capital Projects and Debt Service Funds. The net revenues, expenditures and transfers for these funds are presented below (expressed in thousands). The percent of total and the increases or decreases over fiscal year 1989 are also presented.

Governmental Funds
Revenues - 1990

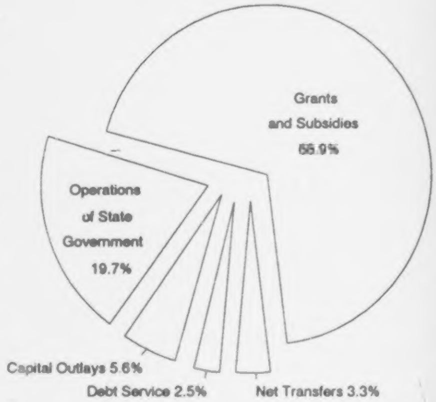


			Increase (Decrease) over F.Y. 1989	
NET REVENUES	Amount	%	Amount	%
Individual Income Taxes	$2,881,050	29.6%	$389,448	15.6%
Corporate Income Taxes	481,311	4.9	(18,866)	(3.8)
Sales Tax	1,869,592	19.2	90,023	5.1
Fuel Taxes	456,723	4.7	7,102	1.6
Other Taxes	1,159,369	11.9	(9,715)	(.8)
Federal Revenue	2,151,582	22.1	191,909	9.8
Investment Income	166,028	1.7	21,072	14.5
Other Revenue	570,304	5.9	23,418	4.3
Total Net Revenues	$9,735,959	100.0%	$694,391	7.7

The large increase in individual income tax revenues was caused by artificially low fiscal year 1989 individual income tax revenues. A change in the withholding tables for individual income taxes caused a change in the pattern of payments, making net receipts in fiscal year 1989 artificially low, creating a larger than normal increase for fiscal year 1990. The decrease in corporate tax revenues is the result of a decrease in corporate profits.

			Increase (Decrease) over F.Y. 1989	
EXPENDITURES AND TRANSFERS-OUT	Amount	%	Amount	%
Protection of Persons/Property	$ 142,946	1.4%	$ 13,148	10.1%
Transportation	283,294	2.8	19,874	7.5
Resource Management	185,563	1.9	18,607	11.1
Economic/Manpower Development	194,424	2.0	16,400	9.2
Education	479,390	4.8	44,895	10.3
Health and Social Services	472,507	4.8	50,683	12.0
General Government	203,526	2.0	10,927	5.7
Capital Outlay	559,527	5.6	53,907	10.7
Debt Service	245,278	2.5	63,948	35.3
Grants and Subsidies	6,865,203	68.9	644,210	10.4
Total Expenditures	$9,631,658	96.7%	$936,599	10.8
Net Transfers-Out	326,292	3.3	17,482	5.7
Total Expenditures and Transfers-out	$9,957,950	100.0%	$954,081	10.6

Governmental Funds Expenditures - 1990



A portion of the increased expenditures for Health and Human Services is for increased staffing at state facilities. Staff to patient ratios at the State Veterans Homes have been increased and staffing for the developmentally disabled is being increased in anticipation of relocation to smaller facilities in the community.

The increase for capital outlay is primarily in the Trunk Highway Fund and is for the continuing upgrade of the state network of highways and for state projects related to the needs of municipalities. Debt Service expenditures increased significantly because of the increase in bonds outstanding and unusually large principal payments due to uneven maturity schedules for some bond issues.

A portion of the increase in grants went to the Historical Society for the new State History Center. An increase in the number of eligible clients, coupled with increased medical costs contributed to the increase in grant payments for medical assistance. Also, for the first time, payments were made under a new program providing assistance to local jurisdictions having higher than average tax rates.

Internal Service Fund Operations

State internal service funds provide a variety of services to state agencies. These include computer services, motor pool, telecommunications, printing, management of the capital complex buildings and insurance (employee health and life, and auto liability). The operating income for the internal service funds was $4.1 million for fiscal 1990. These funds ended the year with total retained earnings of $37.7 million. Of this amount however, $25.3 million is reserved for employee insurance claims and $3.5 million from the Computer Services Fund was approved for a partial refund of 1990 user charges.

Enterprise Fund Operations

Retained earnings for the enterprise funds increased by more than $50 million to $645.5 million. The Housing Finance Agency Funds had the largest increase with net income exceeding $29 million. The HECB Student Loan and State University Revenue Funds followed with net incomes of $13 and $7 million respectively.

Fiduciary Fund Operations

Contributions to the various pension funds are set in statute at rates expected to fully amortize the unfunded pension benefit obligation of all plans by about 2020, with differing years for each fund. In recent years, contributions have been sufficient to cover the actuarially determined contribution requirements for most funds. Actuarial valuations are performed annually for all defined benefit pension funds and the results are used to determine any changes needed in the contribution rates.

Grants totalling $668.9 million were provided from the expendable trust funds, primarily to local governments and individuals. Of this amount, $273.4 million went to cities and counties for roads and bridges from a portion of the various highway taxes. Another $33 million went to school districts from the earnings on the Permanent School Fund assets. Most of the remainder of the grants were for unemployment benefits funded by taxes on employers. The Unemployment Compensation Fund continues to generate sufficient revenues to avoid borrowing from the federal trust fund.

Debt Administration

Minnesota's credit ratings on general obligation bonds are AA+ (Standard and Poor's) and Aa (Moody's). During fiscal year 1990 the state issued $225 million of new general obligation bonds. $121.5 million of general obligation bonds were redeemed during 1990, leaving an outstanding balance of $1.5 billion.

The state has a debt management policy which has three parts.

- Restore AAA/Aaa bond ratings
- Minimize state borrowing costs
- Provide a reasonable financing capacity within a prudent debt limit

The state management policy has three guidelines. The first states that the ratio of budgeted biennial debt service expenditures for general obligation bonded debt, paid by transfers from the General Fund, should not exceed 3% of the total projected biennial unrestricted General Fund non-dedicated revenues, net of refunds, on the budgetary basis. The ratio of required transfers to projected net unrestricted revenues for the biennium ending June 30, 1991 is 2.7%.

The second and third guidelines state that general obligation bonded debt should not exceed 2.5% of the total personal income for the state and total debt of state agencies and the University of Minnesota should not exceed 3.5% of total personal income. These ratios were 1.9% and 2.9%, respectively, based on debt outstanding at June 30, 1990, and estimated personal income for the year ending on that date.

Risk Management

The state is essentially self insured against major losses. Insurance coverage is prohibited by statute except for college and university property, farms repossessed under the Family Farm Security Loan Program and workers' compensation coverage for the Department of Military Affairs. The Risk Management Fund (an internal service fund) provides for casualty claims for those state agencies authorized to acquire such insurance. The state is a member of the Workers' Compensation Reinsurance Association for workers' compensation claims in excess of $400,000.

AUDITS

The Office of the Legislative Auditor performs post-audits of the activities of state agencies. Accordingly, they performed the audit of these financial statements and their opinion is included. Additionally they issue a management letter to each state agency and a summary report to the legislature.

As a part of the audit of these financial statements, a single audit of federal programs is being conducted by the Office of the Legislative Auditor. This audit meets the requirements of the federal Single Audit Act of 1984. The audit covers federal program activity for state agencies for the year ended June 30, 1990. A supplementary report, "Financial and Compliance Report on Federally Assisted Programs" will be available in April, 1991.

CERTIFICATE

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Minnesota for its comprehensive annual financial report for the fiscal year ended June 30, 1989. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

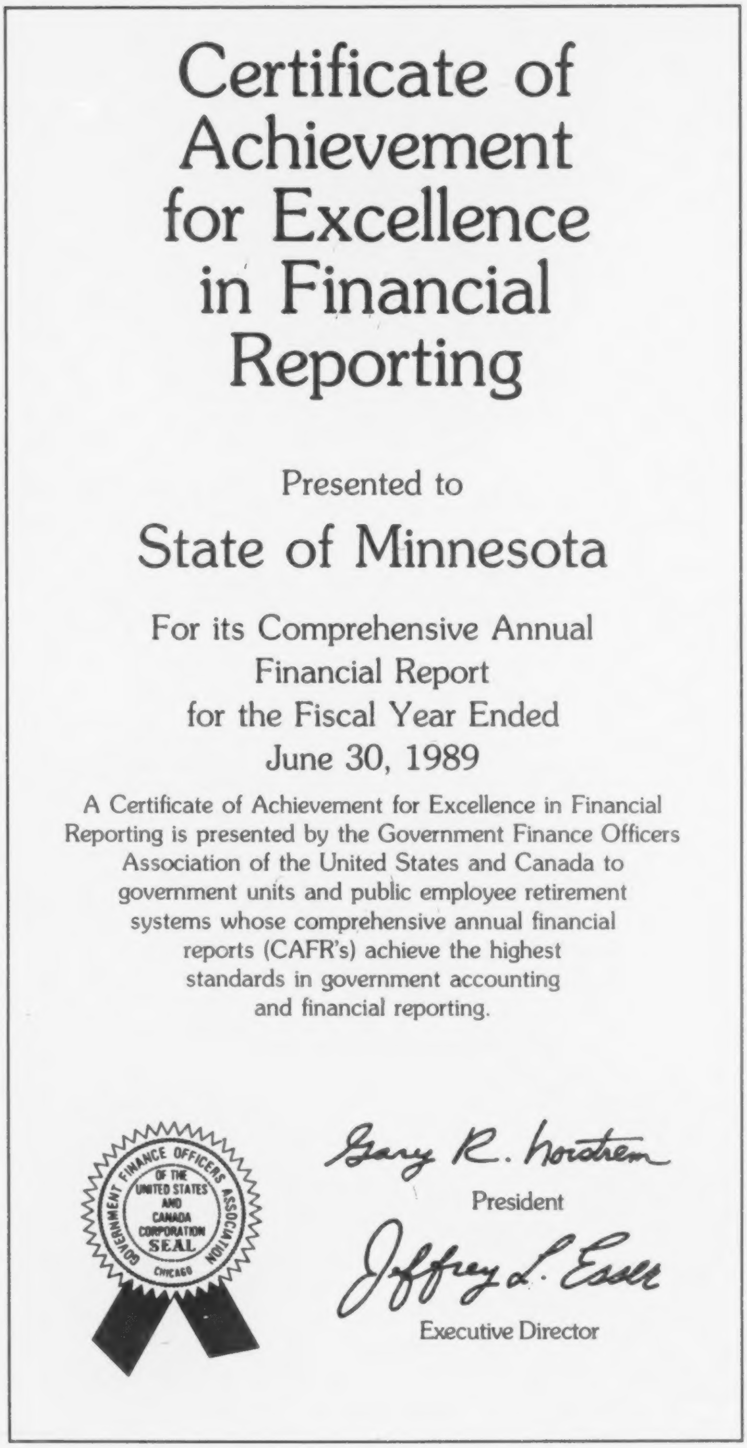
A Certificate of Achievement is valid for a period of one year only. The state of Minnesota has received a Certificate of Achievement for the last five consecutive fiscal years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

ACKNOWLEDGEMENTS

Although the Department of Finance accepts final responsibility for this report, much of the data was provided by staff in many other state agencies. Assistance from these agencies ranged from providing necessary data to actual preparation of financial statements for their agencies' funds. I want to express my appreciation for the dedication of the many people in the Department of Finance who helped in the preparation of this report, as well as for the many people in other agencies without whose efforts this report, with its unqualified audit opinion, would not be possible.

Sincerely,

Peter C. Hutchinson
Commissioner



Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Minnesota

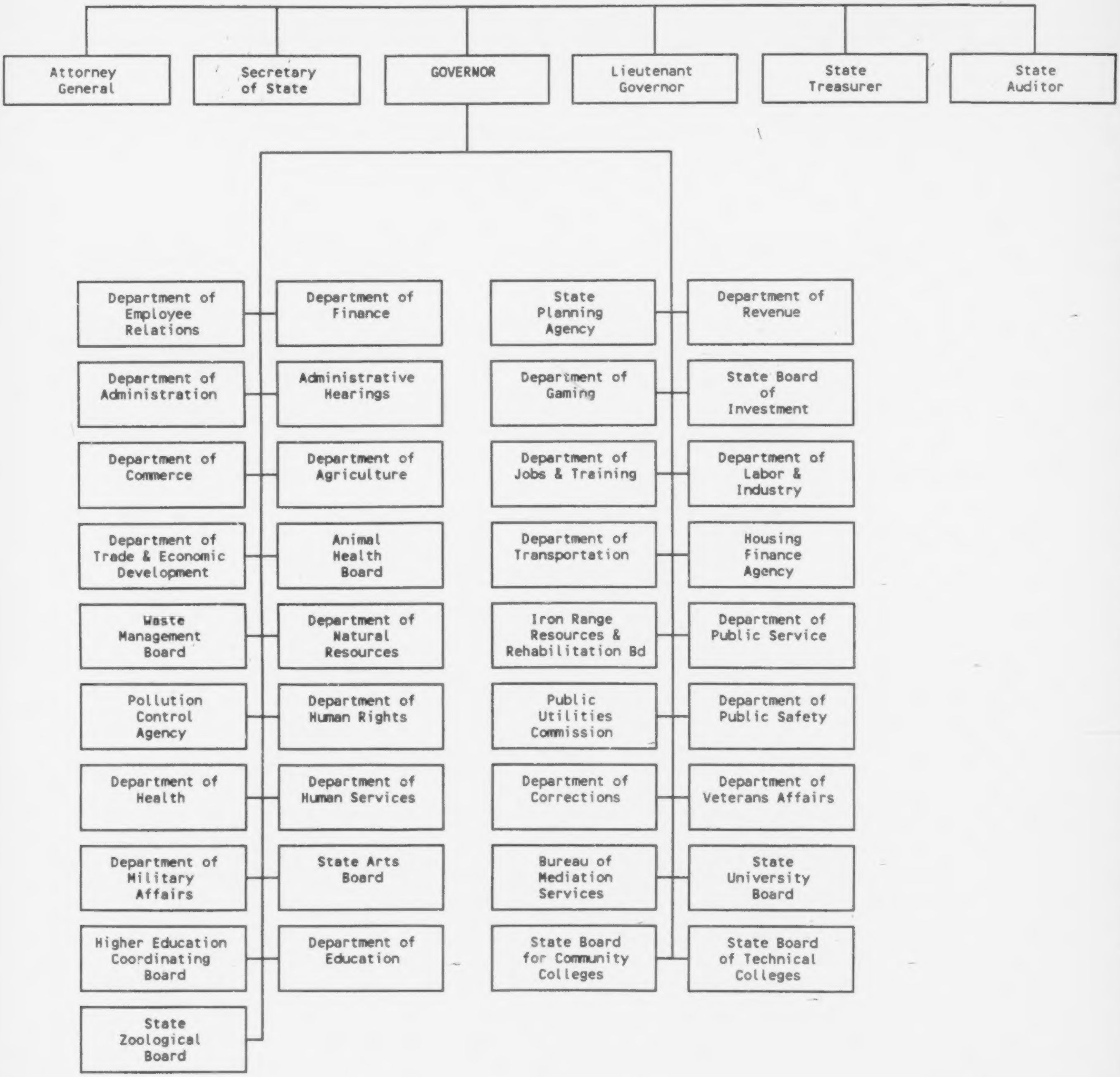
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1989

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) achieve the highest standards in government accounting and financial reporting.

Gary R. Norstrom
President

Jeffrey L. Esser
Executive Director

STATE ORGANIZATION CHART


Attorney General
Secretary of State
GOVERNOR
Lieutenant Governor
State Treasurer
State Auditor
Department of Employee Relations
Department of Administration
Department of Commerce
Department of Trade & Economic Development
Waste Management Board
Pollution Control Agency
Department of Health
Department of Military Affairs
Higher Education Coordinating Board
State Zoological Board
Department of Finance
Administrative Hearings
Department of Agriculture
Animal Health Board
Department of Natural Resources
Department of Human Rights
Department of Human Services
State Arts Board
Department of Education
State Planning Agency
Department of Gaming
Department of Jobs & Training
Department of Transportation
Iron Range Resources & Rehabilitation Bd
Public Utilities Commission
Department of Corrections
Bureau of Mediation Services
State Board for Community Colleges
Department of Revenue
State Board of Investment
Department of Labor & Industry
Housing Finance Agency
Department of Public Service
Department of Public Safety
Department of Veterans Affairs
State University Board
State Board of Technical Colleges

STATE OF MINNESOTA
Principal Officials

EXECUTIVE BRANCH

GOVERNOR:	Rudy Perpich
LIEUTENANT GOVERNOR:	Marlene Johnson
ATTORNEY GENERAL:	Hubert H. Humphrey, III
STATE TREASURER:	Michael M. McGrath
SECRETARY OF STATE:	Joan Anderson Growe
STATE AUDITOR:	Arne H. Carlson

LEGISLATIVE BRANCH

SPEAKER OF THE HOUSE OF REPRESENTATIVES
Robert E. Vanasek

PRESIDENT OF THE SENATE
Jerome M. Hughes

JUDICIAL BRANCH

CHIEF JUSTICE OF THE SUPREME COURT
A. M. Keith

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FINANCIAL SECTION

General Purpose Financial Statements

STATE OF MINNESOTA
OFFICE OF THE LEGISLATIVE AUDITOR
VETERANS SERVICE BUILDING, ST. PAUL, MN 55155 • 612/296-4708
JAMES R. NOBLES, LEGISLATIVE AUDITOR

Independent Auditor's Report

Members of the Legislature

The Honorable Rudy Perpich, Governor

Peter C. Hutchinson, Commissioner, Department of Finance

We have audited the accompanying general purpose financial statements of the State of Minnesota as of and for the year ended June 30, 1990, as listed in the table of contents. These general purpose financial statements are the responsibility of the state's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Minnesota at June 30, 1990, and the results of its operations and the cash flows of its proprietary and nonexpendable trust fund types for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Minnesota. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

James R. Nobles
Legislative Auditor

John Asmussen
John Asmussen, CPA
Deputy Legislative Auditor

December 3, 1990

STATE OF MINNESOTA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1990
(IN THOUSANDS)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE
ASSETS AND OTHER DEBITS				
Cash and Cash Equivalents	$ 1,092,539	$ 575,044	$ 32,756	$ 219,616
Investments	–	24,288	57,017	30,894
Accounts Receivable	44,205	63,835	4	–
Interfund Receivables	25,892	79,100	3,190	1,583
Accrued Investment/Interest Income	49,649	1,014	1,586	531
Federal Aid Receivable	–	283,510	–	–
Inventories	–	16,466	–	–
Deferred Costs	878	279	–	17,424
Restricted Assets:				
Cash and Cash Equivalents	–	–	–	–
Investments	–	–	–	–
Loans/Financing Leases Receivable	–	–	–	–
Other Restricted Assets	–	–	–	–
Loans/Notes/Financing Leases Receivable	23,921	101,568	18,650	–
Advances to Other Funds	4,779	–	–	–
Fixed Assets (Net)	–	–	–	–
Other Assets	–	–	–	–
Amount Available in Debt Service Fund	–	–	–	–
Amount to be Provided from General Fund	–	–	–	–
Amount to be Provided from Special Revenue Funds	–	–	–	–
Total Assets and Other Debits	$ 1,241,863	$ 1,145,104	$ 113,203	$ 270,048
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Warrants Payable	$ –	$ –	$ –	$ –
Accounts Payable	321,773	367,803	42,284	1,236
Interfund Payables	45,994	66,156	9,191	–
Payable to Other Governmental Units	–	31,845	–	–
Deferred Revenue	53,870	15,595	1,000	–
Payable from Restricted Assets:				
General Obligation Bonds Payable	–	–	–	–
Revenue Bonds Payable	–	–	–	–
Accrued Bond Interest Payable	–	–	–	–
Other Payable from Restricted Assets	–	–	–	–
General Obligation Bonds Payable	–	–	–	–
Loans Payable	–	–	–	–
Installment Purchases Payable	–	–	–	–
Revenue Bonds Payable	–	–	–	–
Grants Payable	–	–	–	–
Compensated Absences Payable	–	–	–	–
Advances from Other Funds	–	2,353	–	–
Workers Compensation Liability	–	–	–	–
Funds Held in Trust	–	–	–	5,909
Other Liabilities	–	–	–	–
Total Liabilities	$ 421,637	$ 483,752	$ 52,475	$ 7,145
Equity and Other Credits:				
Contributed Capital	$ –	$ –	$ –	$ –
Investment in General Fixed Assets	–	–	–	–
Retained Earnings:				
Reserved for Debt Requirements	–	–	–	–
Reserved per Law	–	–	–	–
Reserved for Claims	–	–	–	–
Unreserved Retained Earnings	–	–	–	–
Fund Balances:				
Reserved for Encumbrances	66,900	88,076	–	–
Reserved for Inventory	–	16,466	–	–
Reserved for Long-Term Receivables	28,594	99,678	18,513	–
Reserved for Long-Term Commitments	–	181,532	35,391	–
Reserved for Local Governments	–	–	–	–
Reserved for Endowment Principal	–	–	–	–
Reserved for Debt Requirements	–	19,407	–	262,903
Reserved for Pension Benefits	–	–	–	–
Budgetary Reserve	550,000	–	–	–
Reserved for Other	878	21,044	–	–
Unreserved Fund Balances:				
Designated for Appropriation Carryover	67,187	18,148	3,138	–
Designated for Fund Purposes	–	115,524	–	–
Undesignated	106,667	101,477	3,686	–
Total Equity and Other Credits	$ 820,226	$ 661,352	$ 60,728	$ 262,903
Total Liabilities, Equity and Other Credits	$ 1,241,863	$ 1,145,104	$ 113,203	$ 270,048

The notes are an integral part of the financial statements.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATION	(MEMO-RANDUM ONLY)
$ 341,618	$ 53,022	$ 1,562,228	$ –	$ –	$ 3,876,823
302,900	1,550	12,443,374	–	–	12,860,023
9,584	13,388	94,079	–	–	225,095
–	–	85,725	–	–	195,490
30,740	14	106,174	–	–	189,708
–	–	106	–	–	283,616
12,056	954	3,512	–	–	32,988
28,787	308	181	–	–	47,857
100,097	–	–	–	–	100,097
284,119	–	–	–	–	284,119
137,148	–	–	–	–	137,148
8,798	–	–	–	–	8,798
1,710,443	163	12,089	–	–	1,866,834
–	–	–	–	–	4,779
47,234	32.318	16,141	1,664,781	–	1,760,474
164	–	31	–	–	195
–	–	–	–	136,930	136,930
–	–	–	–	1,732,785	1,732,785
–	–	–	–	272,656	272,656
$ 3,013,688	$ 101,717	$ 14,323,640	$ 1,661,781	$ 2,142,371	$ 24,016,415
$ –	$ –	$ 145,749	$ –	$ –	$ 145,749
10,863	22,248	31,596	–	–	797,803
6,364	–	67,785	–	-	195,490
19	–	3,456	–	–	35,320
2,688	201	1,919	–	–	75,273
4,315	–	–	–	–	4,315
298,087	–	–	–	–	298,087
84,838	–	–	–	–	84,838
3,210	–	–	–	–	3,210
4,425	–	–	–	1,507,646	1,512,071
–	12,911	–	–	55,573	68,484
–	7,557	–	–	–	7,557
1,772,535	9,190	–	–	38,000	1,819,725
–	–	–	–	312,121	312,121
2,564	1,780	708	–	129,059	134,111
67	2,359	–	–	–	4,779
–	–	–	–	75,000	75,000
146,549	–	353,901	–	–	506,359
219	123	–	–	24,972	25,314
$ 2,336,743	$ 56,369	$ 605,114	$ –	$ 2,142,371	$ 6,105,606
$ 31,437	$ 7,641	$ –	$ –	$ –	$ 39,078
–	–	–	1,664,781	–	1,664,781
336,008	–	–	–	–	336,008
69,604	–	–	–	–	69,604
–	25,344	–	–	–	25,344
239,896	12,363	–	–	–	252,259
–	–	7,280	–	–	162,256
–	–	3,512	–	–	19,978
–	–	41,476	–	–	188,261
–	–	–	–	–	216,923
–	–	464,624	–	–	464,624
–	–	372,518	–	–	372,518
–	–	–	–	–	282,310
–	–	12,421,168	–	–	12,421,168
–	–	–	–	–	550,000
–	–	3	–	–	21,925
–	–	–	–	–	88,473
–	–	407,945	–	–	523,469
–	–	–	–	–	211,830
$ 676,945	$ 45,348	$ 13,718,526	$ 1,664,781	$ –	$ 17,910,809
$ 3,013,688	$ 101,717	$ 14,323,640	$ 1,664,781	$ 2,142,371	$ 24,016,415

The notes are an integral part of the financial statements.

STATE OF MINNESOTA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	EXPENDABLE TRUST	
Net Revenues:						
Individual Income Taxes	$ 2,881,050	$ –	$ –	$ –	$ –	$ 2,881,050
Corporate Income Taxes	481,311	–	–	–	–	481,311
Sales Taxes	1,869,592	–	–	–	–	1,869,592
Motor Vehicle License Taxes	279	297,072	–	–	–	297,351
Fuel Taxes	3	456,720	–	–	–	456,723
Other Taxes	703,736	158,282	–	–	395,016	1,257,034
Insurance Premiums	–	1,939	–	–	–	1,939
Federal Revenues	10,563	2,140,801	–	218	5,043	2,156,625
License Fees	30,982	94,873	–	–	–	125,855
Care and Hospitalization Revenues	96,931	–	–	–	–	96,931
Tuition and Student Fees	134,854	5,893	–	–	–	140,747
Departmental Services	47,328	58,531	–	–	–	105,859
Investment/Interest Income	82,974	49,989	12,648	20,417	43,256	209,284
Other Revenues	35,365	57,393	2,570	3,645	44,887	143,860
Net Revenues	$ 6,374,968	$ 3,321,493	$ 15,218	$ 24,280	$ 488,202	$ 10,224,161
Expenditures:						
Current:						
Protection of Persons and Property	$ 52,268	$ 90,345	$ 333	$ –	$ 27	$ 142,973
Transportation	2,060	281,196	38	–	2,925	286,219
Resource Management	85,682	92,237	7,644	–	304	185,867
Economic and Manpower Development	56,748	135,978	1,698	–	4,046	198,470
Education	424,682	36,730	17,978	–	3,167	482,557
Health and Social Services	402,045	65,104	5,358	–	1,006	473,513
General Government	182,690	17,913	2,923	–	668	204,194
Total Current Expenditures	$ 1,206,175	$ 719,503	$ 35,972	$ –	$ 12,143	$ 1,973,793
Capital Outlay	31,323	477,400	50,804	–	–	559,527
Debt Service	7,056	20,471	–	217,751	–	245,278
Grants and Subsidies	4,861,960	1,888,648	114,595	–	668,872	7,534,075
Total Expenditures	$ 6,106,514	$ 3,106,022	$ 201,371	$ 217,751	$ 681,015	$ 10,312,673
Excess of Revenues Over (Under) Expenditures	$ 268,454	$ 215,471	$ (186,153)	$ (193,471)	$ (192,813)	$ (88,512)
Other Financing Sources (Uses):						
General Obligation Bonds	$ –	$ 10,450	$ 214,550	$ –	$ –	$ 225,000
Revenue Bonds	–	9,920	–	–	–	9,920
Proceeds from Loans	–	23,569	–	–	–	23,569
Operating Transfers–In	8,892	629,852	7,056	216,776	347,283	1,209,859
Operating Transfers to Debt Service	(189,456)	(12,747)	(14,573)	–	–	(216,776)
Other Operating Transfers–Out	(151,716)	(815,050)	(17)	–	(1,735)	(968,518)
Capital Leases	5,427	920	–	–	–	6,347
Other Uses	(633)	–	–	–	(2,796)	(3,429)
Net Other Financing Sources (Uses)	$ (327,486)	$ (153,086)	$ 207,016	$ 216,776	$ 342,752	$ 285,972
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (59,032)	$ 62,385	$ 20,863	$ 23,305	$ 149,939	$ 197,460
Fund Balances, July 1, 1989, as Reported	$ 849,078	$ 534,730	$ 39,673	$ 239,521	$ 770,715	$ 2,433,717
Changes in Reporting Entity	31,128	67,986	3,753	–	704	103,571
Fund Balances, July 1, 1989, as Restated	$ 880,206	$ 602,716	$ 43,426	$ 239,521	$ 771,419	$ 2,537,288
Residual Equity Transfers–In	1,623	–	–	77	2,571	4,271
Residual Equity Transfers–Out	(2,571)	(877)	(3,561)	–	–	(7,009)
Change in Inventory	–	(2,872)	–	–	–	(2,872)
Fund Balances, June 30, 1990	$ 820,226	$ 661,352	$ 60,728	$ 262,903	$ 923,929	$ 2,729,138

The notes are an integral part of the financial statements.

STATE OF MINNESOTA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND AND APPROPRIATED SPECIAL REVENUE FUNDS
BUDGETARY BASIS
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Net Revenues:						
Individual Income Taxes	$ 2,862,600	$ 2,875,194	$ 12,594	$ –	$ –	$ –
Corporate Income Taxes	477,600	478,900	1,300	–	–	–
Sales Taxes	1,867,396	1,869,474	2,078	–	–	–
Motor Vehicle License Taxes	–	–	–	299,073	295,994	(3,079)
Fuel Taxes	–	–	–	457,707	457,033	(674)
Other Taxes	724,752	711,103	(13,649)	25,247	25,294	47
Federal Revenues	–	–	–	247,900	209,651	(38,249)
Other Intergovernmental Revenues	75,716	76,668	952	–	–	–
License Fees	–	–	–	54,362	68,750	14,388
Care and Hospitalization	142,304	148,956	6,652	–	–	–
Tuition and Student Fees	131,057	134,193	3,136	–	–	–
Departmental Services	–	–	–	193	131	(62)
Investment/Interest Income	75,000	83,062	8,062	25,141	31,267	6,126
Other Revenues	162,229	186,585	24,356	51,708	50,191	(1,517)
Net Revenues	$ 6,518,654	$ 6,564,135	$ 45,481	$ 1,161,331	$ 1,138,311	$ (23,020)
Expenditures:						
Protection of Persons and Property	$ 112,059	$ 106,763	$ 5,296	$ 74,334	$ 73,569	$ 765
Transportation	17,026	16,494	532	790,982	739,293	51,689
Resource Management	121,522	116,389	5,133	87,137	79,248	7,889
Economic and Manpower Development	108,666	104,143	4,523	14,402	13,839	563
Education	3,219,049	3,191,298	27,751	3,339	3,093	246
Health and Social Services	1,612,324	1,587,394	24,930	2,104	1,866	238
General Government	1,221,360	1,204,445	16,915	4,365	3,433	932
Total Expenditures	$ 6,412,006	$ 6,326,926	$ 85,080	$ 976,663	$ 914,341	$ 62,322
Excess of Revenues Over Expenditures	$ 106,648	$ 237,209	$ 130,561	$ 184,668	$ 223,970	$ 39,302
Other Financing Sources (Uses):						
Proceeds from Loans	$ –	$ –	$ –	$ 40,740	$ 22,342	$ (18,398)
Operating Transfers–In	25,998	24,172	(1,826)	600,514	595,210	(5,304)
Operating Transfers to Debt Service	(186,633)	(186,386)	247	(9,486)	(9,370)	116
Other Operating Transfers–Out	(160,533)	(160,511)	22	(810,230)	(810,230)	–
Net Other Financing Sources (Uses)	$ (321,168)	$ (322,725)	$ (1,557)	$ (178,462)	$ (202,048)	$ (23,586)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (214,520)	$ (85,516)	$ 129,004	$ 6,206	$ 21,922	$ 15,716
Fund Balances, July 1, 1989, as Reported	945,659	945,659	–	117,935	117,935	–
Prior Year Adjustments	15,000	25,466	10,466	–	11,994	11,994
Estimated Appropriation Cancellations	10,000	–	(10,000)	–	–	–
Total Fund Balances, June 30, 1990	$ 756,139	$ 885,609	$ 129,470	$ 124,141	$ 151,851	$ 27,710
Less Appropriation Carryover	–	74,377	(74,377)	–	18,211	(18,211)
Less Budgetary Reserve	550,000	550,000	–	–	–	–
Undesignated Fund Balances, June 30, 1990	$ 206,139	$ 261,232	$ 55,093	$ 124,141	$ 133,640	$ 9,499

The notes are an integral part of the financial statements.

STATE OF MINNESOTA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTALS (MEMO- RANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	PENSION TRUST	NONEXPENDABLE TRUST	
Operating Revenues:					
Net Sales	$ 100,643	$ 21,667	$ –	$ 5,205	$ 127,515
Contributions	–	–	611,884	–	611,884
Interest Income	143,221	–	–	–	143,221
Investment Income	54,865	–	1,280,714	33,804	1,369,383
Rental and Service Fees	57,012	49,310	60	–	106,382
Insurance Premiums	–	153,844	–	–	153,844
Realized and Unrealized Losses	–	–	(168,022)	–	(168,022)
Other Income	1,669	441	3,554	–	5,664
Total Operating Revenues	$ 357,410	$ 225,262	$ 1,728,190	$ 39,009	$ 2,349,871
Less Cost of Goods Sold	68,760	15,434	–	–	84,194
Gross Margin	$ 288,650	$ 209,828	$ 1,728,190	$ 39,009	$ 2,265,677
Operating Expenses:					
Annuity Payments	$ –	$ –	$ 475,822	$ –	$ 475,822
Refunded Contributions	–	–	28,886	–	28,886
Interest and Financing Costs	160,405	2,116	2,242	–	164,763
Purchased Services	37,091	19,828	2,648	371	59,938
Investment Management Fees	–	–	12,214	–	12,214
Salaries and Fringe Benefits	36,294	19,195	5,391	6	60,886
Claims	–	150,420	–	–	150,420
Depreciation	3,834	8,939	193	1	12,967
Amortization	3,476	292	–	101	3,869
Supplies and Materials	8,534	2,846	135	–	11,515
Indirect Costs	740	1,764	141	2	2,647
Other Expenses	7,770	330	466	–	8,566
Total Operating Expenses	$ 258,144	$ 205,730	$ 528,138	$ 481	$ 992,493
Operating Income	$ 30,506	$ 4,098	$ 1,200,052	$ 38,528	$ 1,273,184
Nonoperating Revenues (Expenses):					
Investment Income	$ 14,991	$ 4,663	$ –	$ –	$ 19,654
Participant Contributions	–	–	23,814	–	23,814
Federal Grants and Subsidies	64,129	–	–	–	64,129
Local Association Mergers	–	–	50,834	–	50,834
Other Nonoperating Revenues	978	1	–	–	979
Participant Withdrawals	–	–	(19,797)	–	(19,797)
Grants, Aids and Subsidies	(68,871)	–	–	–	(68,871)
Other Nonoperating Expenses	(719)	–	–	–	(719)
Gain (Loss) on Sale of Fixed Assets	(49)	207	–	1,284	1,442
Net Nonoperating Revenues (Expenses)	$ 10,459	$ 4,871	$ 54,851	$ 1,284	$ 71,465
Income Before Operating Transfers	$ 40,965	$ 8,969	$ 1,254,903	$ 39,812	$ 1,344,649
Operating Transfers–In	18,832	1,666	715	3,646	24,859
Operating Transfers–Out	(9,115)	(2,215)	(2,372)	(35,722)	(49,424)
Net Income before Extraordinary Item	$ 50,682	$ 8,420	$ 1,253,246	$ 7,736	$ 1,320,084
Extraordinary Loss on Bond Defeasance	(602)	–	–	–	(602)
Net Income	$ 50,080	$ 8,420	$ 1,253,246	$ 7,736	$ 1,319,482
Depreciation on Fixed Assets Acquired with Contributed Capital	370	2	–	–	372
Increase in Retained Earnings/Fund Balances	$ 50,450	$ 8,422	$ 1,253,246	$ 7,736	$ 1,319,854
Retained Earnings/Fund Balances, July 1, 1989, as Reported	$ 597,904	$ 7,330	$ 11,167,922	$ 365,693	$ 12,138,849
Changes in Reporting Entity	(2,055)	21,955	–	–	19,900
Retained Earnings/Fund Balances, July 1, 1989, as Restated	$ 595,849	$ 29,285	$ 11,167,922	$ 365,693	$ 12,158,749
Residual Equity Transfers–Out	(791)	–	–	–	(791)
Retained Earnings/Fund Balances, June 30, 1990	$ 645,508	$ 37,707	$ 12,421,168	$ 373,429	$ 13,477,812

The notes are an integral part of the financial statements.

STATE OF MINNESOTA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMO- RANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	
Cash Flows from Operating Activities:				
Operating Income (Loss)	$ 30,506	$ 4,098	$ 38,528	$ 73,132
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:				
Depreciation	$ 3,834	$ 9,099	$ 1	$ 12,934
Amortization	3,476	292	101	3,869
Investment Income	(54,865)	–	(33,804)	(88,669)
Interest and Financing Costs	160,405	2,116	–	162,521
Loan Principal Repayments	135,890	–	–	135,890
Loans Issued	(258,496)	–	–	(258,496)
Provision for Loan Defaults	3,320	–	–	3,320
Customer Deposits	44,560	–	–	44,560
Return of Customer Deposits	(35,988)	–	–	(35,988)
Change in Assets and Liabilities:				
Accounts Receivable	(831)	682	112	(37)
Inventories	4,432	17	–	4,449
Other Assets	(638)	18	–	(620)
Accounts Payable	6,474	(9,610)	44	(3,092)
Deferred Revenues	(807)	1	–	(806)
Other Liabilities	647	133	–	780
Net Reconciling Items to be Added (Deducted) from Operating Income	$ 11,413	$ 2,748	$ (33,546)	$ (19,385)
Net Cash Flows from Operating Activities	$ 41,919	$ 6,846	$ 4,982	$ 53,747
Cash Flows from Noncapital Financing Activities:				
Grant Receipts	$ 2,257	$ –	$ –	$ 2,257
Grant Disbursements	(3,357)	–	–	(3,357)
Transfers–In	18,832	1,666	–	20,498
Transfers–Out	(5,947)	(2,215)	(35,983)	(44,145)
Capital Contributions	14,525	–	–	14,525
Advances from Other Funds	8,131	91	–	8,222
Repayments of Advances from Other Funds	(8,157)	(1,862)	–	(10,019)
Repayments of Advances to Other Funds	–	400	–	400
Proceeds from Bond Sales	207,023	–	–	207,023
Repayment of Bond Principal	(101,804)	–	–	(101,804)
Bond Issuance Costs	(2,983)	–	–	(2,983)
Interest Paid	(143,902)	(349)	–	(144,251)
Net Cash Flows from Noncapital Financing Activities	$ (15,382)	$ (2,269)	$ (35,983)	$ (53,634)
Cash Flows from Capital and Related Financing Activities:				
Investment in Fixed Assets	$ (4,650)	$ (13,260)	$ (7)	$ (17,917)
Proceeds from the Sale of Fixed Assets	41	685	657	1,383
Advances from Other Funds	–	2,249	–	2,249
Repayments of Advances from Other Funds	–	(2,150)	–	(2,150)
Proceeds from Loans	–	10,464	–	10,464
Repayment of Loan Principal and Other Capital Debt	(3)	(3,443)	–	(3,446)
Collection of Financing Leases Receivable	2,210	140	–	2,350
Proceeds from Bond Sales	5,544	–	–	5,544
Repayment of Revenue Bond Principal	(10,945)	(4,715)	–	(15,660)
Interest Paid	(10,551)	(1,721)	–	(12,272)
Net Cash Flows from Capital and Related Financing Activities	$ (18,354)	$ (11,751)	$ 650	$ (29,455)
Cash Flows from Investing Activities:				
Proceeds from Sales and Maturities of Investments	$ 660,952	$ 600	$ 18,167	$ 679,719
Purchase of Investments	(620,182)	–	(12,335)	(632,517)
Investment Earnings	67,815	4,987	33,139	105,941
Net Cash Flows from Investing Activities	$ 108,585	$ 5,587	$ 38,971	$ 153,143
Net Increase (Decrease) in Cash and Cash Equivalents	$ 116,768	$ (1,587)	$ 8,620	$ 123,801
Cash and Investments, July 1, 1989, as Reported	$ 877,805	$ 15,403	$ 360,943	$ 1,254,151
Change in Accounting Principle	(552,943)	(2,165)	(351,334)	(906,442)
Changes in Reporting Entity	85	41,371	–	41,456
Cash and Cash Equivalents, July 1, 1989	$ 324,947	$ 54,609	$ 9,609	$ 389,165
Cash and Cash Equivalents, June 30, 1990	$ 441,715	$ 53,022	$ 18,229	$ 512,966
Schedule of Noncash Transactions:				
Purchase of Fixed Assets	$ –	$ 2,780	$ –	$ 2,780
Residual Equity Transfer of Loans Receivable	756	–	–	756

The notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1990

These notes provide disclosures relevant to the combined financial statements on the preceding pages.

1. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Basis of Presentation

The reporting policies of the state of Minnesota conform to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Financial Reporting Entity of the State of Minnesota

This report includes the various state departments, agencies, institutions and organizational units which are controlled by or dependent upon the Minnesota Legislature and/or its constitutional officers. The criteria used to determine the state's reporting entity were degrees of financial interdependence, fiscal accountability, administrative control, and scope of public service. All governmental units not meeting those criteria, and therefore considered to be autonomous from the state, have been excluded from this report.

Although partially supported by state appropriations, the University of Minnesota has not been included in the reporting entity. The high degree of autonomy of the University was of primary importance in deciding upon its exclusion. This autonomy is attributed to the independence of its governing board, the Board of Regents, which controls the administration and operation of the University. The Board of Regents' authority for overall budget approval and responsibility for funding of deficits or use of surpluses were also significant in determining the University's exclusion. The University is the only significant exclusion from the state's reporting entity.

The state universities and community colleges are, however, an integral part of the state's operations. Their primary operations are accounted for on the Statewide Accounting System and they are subject to the same controls as all other state agencies. The results of operations and the financial position for the colleges and universities, therefore, do not appear as discrete presentations in these financial statements but are blended in with the activities of all state agencies in the appropriate funds or fund types.

The organizations below, which are included in this report, also prepare and publish their own financial reports which may contain differences in presentation resulting from differing reporting emphases:

Greater Minnesota Corporation
Housing Finance Agency
Higher Education Facilities Authority
State University Board (revenue fund)
Higher Education Coordinating Board (student loan fund)
Department of Trade and Economic Development (Public Facilities Authority Fund)
State Lottery
Public Employees Retirement Association
Teachers Retirement Association
Minnesota State Retirement System
State Board of Investment (investment trust funds)

Copies of their reports may be obtained directly from the organizations.

Classification of Funds

Individual funds have been established as stipulated by legal provisions or by administrative discretion. The funds presented are classified as follows.

Governmental Funds account for the acquisition, use and balances of expendable financial resources and the related current liabilities. Most state operations are accounted for in this fund category. Included in this classification are the General Fund (accounts for all financial resources except those required to be accounted for in another fund), special revenue, capital projects and debt service fund types. The Debt Service Fund accounts for the accumulation of resources for, and the payment of, most general obligation long-term debt principal and interest.

Proprietary Funds account for all assets, liabilities and equities, and match revenues and expenses to determine net income and capital maintenance. The fund types included in this category are the enterprise and internal service funds.

Fiduciary Funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Included in this fund category are expendable and nonexpendable trust, pension trust and agency fund types. Depending on their nature, fiduciary funds are classified for accounting measurement purposes like governmental (expendable trust funds) or proprietary funds (pension trust and nonexpendable trust funds). Agency funds are custodial in nature; thus they do not measure results of operations.

Account Groups provide the means to account for the fixed assets acquired, and the general obligation long-term indebtedness, for all governmental fund types.

Basis of Accounting

All proprietary, pension trust and nonexpendable trust funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized as they are incurred. All governmental, expendable trust and agency funds are accounted for using the modified accrual basis of accounting. The modified accrual basis of accounting includes the following recognition principles.

Revenues: Individual income, sales and unemployment compensation taxes and federal grants are the major revenue sources susceptible to accrual. Tax revenues are recognized in the period they become both measurable and available to finance expenditures of the current period. Measurable means that taxpayer liability is supported by sufficient documentation and can be reasonably estimated. Available means collectible by the September close of the books. Similarly, anticipated refunds of such taxes are recorded as reductions in revenue in the period when the claim is received and the state's liability is measurable. Federal grants collected on a reimbursement basis are recognized as revenue when reimbursable expenditures are made. Revenues collected on an advance basis, including certain federal grant revenues, to which the state does not yet have legal entitlement, are reported as deferred revenue until the related commitment arises, at which time revenue is recognized.

Expenditures and Related Liabilities: Expenditures and payables are recognized when fund obligations are incurred as a result of the receipt of goods and services. Grant expenditures are discussed separately.

Encumbrances: Encumbrance accounting is used for budgetary control and reporting purposes only. In the financial statements encumbrances are recorded in the balance sheet as a reservation of fund balance for subsequent year expenditures, except for those long-term commitments which rely significantly on future resources as discussed in Note 11.

Grants Expenditures and Liabilities Recognition

Grants are contributions of cash or other assets by the state to other governmental units, individuals or to nongovernmental organizations. The GAAP requirement that expenditures and liabilities be recognized at the point goods and services are received is not relevant for grants because the state does not receive a direct service for grant payments. It is therefore necessary to use different criteria for the recognition of grant expenditures and liabilities.

Grants are normally paid on an entitlement or reimbursement basis. Reimbursements can be for specific services provided to specific eligible recipients or such reimbursements can be for eligible types of expenditures. Grants paid on a reimbursement basis are recognized as expenditures and liabilities in the year in which the grantee incurs the costs of specific services to eligible recipients or makes eligible types of expenditures. Entitlement type grants may be based on services provided by the grantee which the grant is meant to help fund, but not based on the cost of providing the service. Expenditures and related liabilities for these types of entitlement grants are recognized as the service is provided if the amount owed is reasonably estimable soon after the end of the fiscal year. Other types of entitlement type grants are not based on services provided or actions taken by the grantee. Expenditures and related liabilities for these types of grants are recognized in the fiscal year in which the resources were appropriated.

Compensated Absences

State employees accrue vacation leave, sick leave and compensatory leave at various rates within limits specified in collective bargaining agreements. Such leave is liquidated in cash only at the time of termination from state employment. For governmental funds, the liability for compensated absences is reported in the General Long-Term Obligation Account Group. All other fund types report this liability as a fund liability.

Cash Equivalents and Investments

Cash equivalents are short term, highly liquid investments having original maturities (remaining time to maturity at acquisition) of three months or less. Also included are cash management pools and money market funds that are used essentially as demand deposit accounts.

Investments are reported at market value for the investment trust funds, defined contribution funds and the Deferred Compensation Fund (all fiduciary funds). All other funds report equity securities at cost and debt securities at amortized cost.

Inventories

Inventories for governmental funds are recorded as expenditures when purchased and therefore are not a resource available for appropriation. Inventories for all other funds are expensed when consumed. Inventories maintained by the various funds are determined by annual and periodic physical counts. The Trunk Highway Fund (special revenue fund) inventories are valued using the weighted-average cost. Inventories of the Miscellaneous Special Revenue and Northeast Minnesota Economic Protection (expendable trust) funds consist of repossessed properties, held for resale, and are valued at market. Enterprise funds' inventories are valued using first-in first-out, average cost and specific cost methods. Internal service funds' inventories are valued using the first-in first-out method.

Restricted Assets

Mandatory asset segregations are presented in various enterprise funds as restricted assets. Such segregations are required by bond covenants and other external restrictions. The excess of restricted assets over liabilities payable from restricted assets will first be used for bonds payable. The remainder, if any, is included in reserved retained earnings

Fixed Assets

Governmental Fund Types - Fixed assets for these funds are reported in the General Fixed Assets Account Group. General fixed assets are recorded at cost or, for donated assets, at fair market value at date of acquisition. An inventory of land and buildings for general fixed assets was completed in 1985. Historical cost records for older fixed assets are incomplete or not available. Accordingly, estimated historical costs have been used in these situations. Tax forfeited land is not included in land inventory because the state does not take permanent title; when the land is sold, proceeds are distributed to local jurisdictions. Public domain (infrastructure) general fixed assets such as highways, curbs, bridges and lighting systems are not capitalized. Depreciation is not provided on general fixed assets nor is interest during construction capitalized.

Proprietary and Fiduciary Fund Types - Fixed assets for these funds are stated at cost or, for donated assets, at fair market value at date of acquisition. Such assets are depreciated or amortized on a straight-line basis over the useful lives of the assets. Estimated useful lives are as follows:

Buildings	40-50 years
Improvements (large)	20-50 years
Improvements (small)	3-10 years
Equipment	3-12 years

Depreciation on fixed assets acquired with resources externally restricted for that purpose is closed to contributed capital after being recognized in operations.

General Long-Term Liabilities

All unmatured long-term indebtedness not reported in a proprietary or fiduciary fund is accounted for in the General Long-Term Obligation Account Group. Included among these liabilities are the noncurrent portions of liabilities resulting from debt issuances, compensated absences, workers compensation claims, grant programs, arbitrage rebate requirements and some unfunded pension liabilities (see Note 7).

Bond Discounts, Bond Premiums and Issuance Costs

In governmental fund types, bond discounts, premiums and issuance costs are recognized in the current period. In the proprietary funds they are deferred and amortized over the life of the bonds using the effective interest method or the straight-line method, which approximates the effective interest method.

Risk Management

The state is self-insured for most losses. Insurance coverage is prohibited by statute except for college and university property, farms repossessed under the Family Farm Security Loan Program, and workers' compensation coverage for Military Affairs. The state has established the Risk Management Fund (an internal service fund) to provide for casualty claims, primarily automobile liabilities, for state agencies. For catastrophic workers' compensation claims the state is a member of the Workers' Compensation Reinsurance Association which pays for compensation claims in excess of the retention amount which is currently $400,000.

Budgeting and Budgetary Control

Minnesota operates on a two-year (biennial) budget cycle ending on June 30 of the odd-numbered years. Appropriations in the biennial budget are usually for a single year, however, where specified, single year appropriations are available for either year of the biennium. The Governor's budget for the biennium is developed by the Department of Finance and presented to the legislature for approval. Specific appropriations are required for all expenditures from the General Fund and all Special Revenue Funds except the Federal, Maximum Effort School Loan, Special Workers Compensation, Iron Range Resources and Rehabilitation and Miscellaneous Special Revenue Funds. Some appropriations are "open appropriations" for entitlement type, and some interfund transfer, programs. In these cases, whatever amount is needed to fulfill the obligation for the fiscal year is made available; i.e., there is no limit on the amount which can be expended for the program. Estimates of the amount needed for such programs are included in the budget forecast.

All expenditures in these appropriated funds are made pursuant to the appropriations in the biennial budget, as amended by subsequent legislative appropriation actions. There were no deficiency appropriations for fiscal year 1990.

Budgetary control is essentially maintained at the departmental level except for certain programs where control is at the program level. In most departments, upon notification of the Governor and legislative leadership, department heads are permitted to revise budgets transferring amounts between programs in their departments.

For most appropriations, unencumbered balances at fiscal year end cancel; for specified others, such balances may carry forward to the subsequent year. The budget and the Statewide Accounting System (SWAS) are maintained essentially on a cash basis with the exception that at year end, encumbered amounts are included in the expenditures of the year appropriated, for budgetary reporting. The SWAS controls expenditures by appropriation line item as established in the legally adopted appropriation bills. In no instance did expenditures exceed authorized limits at the legal level of budgetary control. A separate report showing the detail of legal level of control and actual expenditures is available from the Department of Finance.

Eliminations

We have incorporated eliminations into the report to exclude the significant double counting of assets and related income caused by the participation of certain fiduciary funds in the investment trust funds (also fiduciary funds). Defined Benefit Pension and Defined Contribution Funds (pension trust funds) and the Deferred Compensation Fund (an agency fund) invest part of their assets through the investment trust funds (also classified as pension trust funds).

"Memorandum Only" Totals Column

The totals columns on the Combined Financial Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Information in these columns does not present consolidated financial position, results of operations, or changes in financial position.

2. CASH AND INVESTMENTS

Cash and Cash Equivalents

Cash in most funds is held in the state treasury and is commingled in state bank accounts. The cash in individual funds may be invested separately, where permitted by statute. However, cash in most funds is invested as a part of an investment pool. A fund's investment with these cash pools is reported as a cash equivalent. Investment earnings of the pools are allocated to the individual funds where provided by statute; earnings for all other funds are credited to the General Fund.

The following table summarizes the state's cash and cash equivalents (including amounts reported as restricted assets) at June 30, 1990 (in thousands). Cash with the U.S. Treasury is available for the cash demands of the Unemployment Compensation Fund (expendable trust fund).

	Carrying Amount
Cash in Bank	$ 75,754
Cash on Hand and Imprest Cash	5,306
Cash with U.S. Treasury	346,853
Cash Equivalents:	
Cash Management Investment Pools	3,136,191
Other	412,816
Total Cash and Cash Equivalents	$3,976,920

Deposits

At June 30, 1990 the bank balance, for cash in bank was $116,518,783. This balance was fully covered by federal depository insurance or collateral held by the state's agent in the state's name (lowest risk category). Minnesota Statutes, Section 9.031, requires that deposits be secured by depository insurance or a combination of depository insurance and collateral securities held in the state's name by an agent of the state. This statute further requires that such insurance and collateral shall be in amounts sufficient to ensure that the deposits do not exceed 90% of the sum of the insured amount and the market value of the collateral.

During fiscal year 1990 the combined insured amount and collateral fell short of the legal requirement by more than $10 million on 13 days. Seven of these days involved collections of unemployment insurance tax receipts awaiting transfer to the U.S. treasury.

Investments

Nearly all of the state's investing is managed by the Minnesota State Board of Investment (MSBI). Minnesota Statutes, Section 11A.24 broadly restricts investments to obligations and stocks of U.S. and Canadian governments, their agencies and their registered corporations; short term obligations of specified high quality; restricted participation as a limited partner in venture capital, real estate, or resource equity investments; and, restricted participation in registered mutual funds. A more conservative restriction which applies to certain funds is that investments be limited to fixed income securities. The conservative restriction applies to all funds except the Permanent School Fund (a nonexpendable trust fund), the defined benefit pension funds, and the investment trust funds (the latter fund categories are included among the pension trust funds).

Investments at June 30, 1990
(in thousands)

Investment Type	Carrying Amount	Market Value
Repurchase Agreements	$ 328,275	$ 328,275
Other Short-Term Obligations	2,094,724	2,095,019
U.S. and Other Government Obligations	6,843,961	6,845,735
Corporate Obligations	1,958,521	1,953,872
Corporate Stocks	4,363,778	4,875,301
Other Equity	710,414	800,522
Total Securities Owned	$16,299,673	$16,898,724
Trustee Managed Pools	378,946	378,946
Mutual Funds	14,530	14,530
Total Investments	$16,693,149	$17,292,200

Funds not invested by MSBI are primarily enterprise type funds. Investments for these funds must also conform to the above statute and may be further restricted by bond indentures.

The investment table on the previous page shows the state's investments, including cash equivalents, at their carrying and market values. Of these, repurchase agreements carried at $1,355,000 (equal to market value) are in risk category 3, which includes uninsured and unregistered securities held by the counterparty or by its trust department or agent but not in the state's name. The remainder of the repurchase agreements and all other investments are in risk category 1 which includes securities which are insured or registered or are held by the state or its agent in the state's name. The state has no investments in risk category 2 which otherwise would include uninsured and unregistered securities held by the counterparty's trust department or agent in the state's name.

3. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at June 30, 1990, including current portion of interfund advances, are summarized as follows (in thousands).

	Receivables	Payables
General Fund	$25,892	$45,994
Special Revenue Funds:		
Trunk Highway	$23,993	$3,597
Highway User Tax Distribution	32,347	41,785
Other Transportation	2,222	-
Federal	5,685	18,144
Natural Resources	4,681	538
Miscellaneous Special Revenue	10,172	2,092
Total Special Revenue Funds	$79,100	$66,156
Capital Projects Funds:		
Building	$ 3,190	$ 9,191
Debt Service Fund	$ 1,583	$ -
Enterprise Funds:		
Higher Education Coordinating Board	$ -	$ 15
State Lottery	-	3,480
Chemical Dependency Treatment	-	2,869
Total Enterprise Funds	$ -	$ 6,364
Fiduciary Funds:		
Pension Trust Funds:		
Defined Benefit Pension Funds:		
Public Employees Retirement	$ 269	$ 8,668
Police and Fire	15	1,321
Police and Fire Consolidation	1,302	254
Teachers Retirement	91	27,532
State Employees Retirement	1,980	-
State Patrol Retirement	87	75
Correctional Employees Retirement	95	114
Judicial Retirement	-	550
Elective State Officers	351	2
Legislative Retirement	4,154	214
Defined Contribution Fund:		
Unclassified Employees Retirement	-	25
College Supplemental Retirement	-	91
Investment Trust Funds:		
Minnesota Post-Retirement Investment	29,513	3,113
Nonexpendable Trust Fund:		
Permanent School	-	20,038
Environment and Natural Resources Trust	3,646	-
Expendable Trust Funds:		
Municipal State-Aid Street	4,249	-
County State-Aid Highway	14,388	-
Endowment School	16,930	-
Endowment	4	2
Agency Funds:		
Disbursement Clearing	8,651	-
Taxes Clearing	-	44
Deferred Compensation	-	46
Social Welfare	-	4
Miscellaneous Agency	-	5,692
Total Fiduciary Funds	$ 85,725	$ 67,785
Total All Funds	$195,490	$195,490

The noncurrent portion of interfund advances at June 30, 1990, are summarized as follows (in thousands):

	Advances To Other Funds	Advances From Other Funds
General Fund	$4,779	$ -
Special Revenue Funds:		
Miscellaneous Special Revenue	-	2,353
Enterprise Funds:		
Enterprise Activities	-	67
Internal Service Funds:		
State Printer	-	49
Central Motor Pool	-	1,330
Telecommunications	-	886
Central Services	-	94
Total All Funds	$4,779	$4,779

4. LOANS, NOTES AND FINANCING LEASES RECEIVABLE

Loans, notes, and financing leases receivable, net of allowances for possible losses, as of June 30, 1990, consisted of the following (in thousands):

	Fund Types					
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Fiduciary
Housing Finance	$ -	$ -	$ -	$1,529,759	$ -	$ -
Student Loan Programs	668	-	-	180,684	-	-
Higher Education Facilities	-	-	-	55,522	-	-
Economic Development	6,088	55,836	109	45,614	-	12,089
School Districts	-	35,080	-	-	-	-
Energy	-	-	12,583	-	-	-
Agricultural	9,484	7,782	-	-	-	-
Other	7,681	2,870	5,958	36,012	163	-
Total Loans, Notes, and Financing Leases Receivable	$23,921	$101,568	$18,650	$1,847,591	$ 163	$12,089

5. FIXED ASSETS

Summary of Changes in General Fixed Assets
(in thousands)

	Balances July 1, 1989	Additions	Deductions	Completed Construction	Adjustments	Balances June 30, 1990
Land	$ 198,248	$ 8,094	$ 157	$ -	$ (1,586)	$ 204,599
Buildings	796,755	1,750	2,639	37,259	34,176	867,301
Equipment	374,952	69,868	14,906	-	1,204	431,118
Construction in Progress	117,225	62,023	-	(37,259)	19,774	161,763
Total	$1,487,180	$141,735	$17,702	$ -	$53,568	$1,664,781

Governmental fund capital outlay expenditures totaled $559,526,948 for fiscal year 1990. Of this amount $420,351,462 was for infrastructure fixed assets which are not included in general fixed assets. Donations of general fixed assets received during fiscal year 1990 are valued at $2,558,056. Adjustments in the schedule above are primarily for corrections of prior year balances ($18,385,951 in construction in progress expenditures not capitalized in prior year) and beginning balances for the Zoological Garden ($37,033,401) which were previously reported in the enterprise fund (see also Note 22).

General fixed assets purchased with resources provided by outstanding capital lease agreements at June 30, 1990, consisted of equipment costing $30,023,238.

Authorizations and commitments, as of June 30, 1990, for the largest construction in progress projects follows (in thousands):

	Judicial Office Building	Educational Buildings	Faribault Correctional Facilities
Authorization	$38,964	$107,150	$10,755
Expended through June 30, 1990	30,942	5,021	1,720
Unexpended Commitment	4,360	1,740	6,484
Available Authorization	$ 3,662	$100,389	$ 2,551

Commitments are reserved in the fund balance for either encumbrances or long-term commitments.

Proprietary and fiduciary fund type fixed assets consisted of the following as of June 30, 1990 (in thousands):

	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Combined Totals
Land	$ 3	$ -	$15,438	$ 15,441
Buildings	74,860	-	-	74,860
Land and Building Improvements	17,659	1,854	-	19,513
Equipment	14,663	59,164	1,913	75,740
Total	$107,185	$61,018	$17,351	$185,554
Less Accumulated Depreciation	59,951	28,700	1,210	89,861
Net Total	$ 47,234	$32,318	$16,141	$ 95,693

Land in the Permanent School Fund (a nonexpendable trust fund) totaling 2,514,678 acres was donated by the federal government and is valued at the estimated fair market value at the time of donation.

6. DEFERRED COSTS

The composition of the deferred costs is provided below (in thousands):

	Enterprise Fund Housing Finance	Debt Service Fund	Other	Total
Bond Issuance	$27,726	$ -	$ 876	$28,602
Debt Extinguishment	184	-	-	184
Prepaid Expenses	-	17,424	1,647	19,071
Total Deferred Costs	$27,910	$17,424	$2,523	$47,857

7. GENERAL LONG-TERM OBLIGATIONS

A summary of general long-term obligations at June 30, 1990, and the changes during fiscal year 1990 is as follows (in thousands):

	July 1, 1989 Balances	Increases	Decreases	June 30, 1990 Balances
Liabilities For:				
General Obligation Bonds	$1,404,145	$225,000	$121,499	$1,507,646
Revenue Bonds	-	39,300	1,300	38,000
Loans	48,479	21,439	14,345	55,573
Grants	306,036	312,121	306,036	312,121
Compensated Absences	113,907	15,152	-	129,059
Workers Compensation	-	75,000	-	75,000
Capital Leases	16,279	6,347	4,938	17,688
Pension Liabilities	2,262	78	1,490	850
Other Liabilities	14,051	2,331	9,948	6,434
Totals	$1,905,159	$696,768	$459,556	$2,142,371

Included in general obligation bonds payable at June 30, 1990, is $25,269 of revenue bonds payable for general fixed assets purchased through the master lease program (see Note 10).

The resources to repay the various general long-term obligations have been or will be provided from the fund types as shown below (in thousands).

	General Fund	Special Revenue Funds	Total
Liabilities For:			
General Obligation Bonds	$1,409,634	$ 98,012	$1,507,646
Revenue Bonds	-	38,000	38,000
Loans	-	55,573	55,573
Grants	312,121	-	312,121
Compensated Absences	74,710	54,349	129,059
Workers Compensation	48,000	27,000	75,000
Capital Leases	11,852	5,836	17,688
Pension Liabilities	850	-	850
Other Liabilities	6,434	-	6,434
Totals	$1,863,601	$278,770	$2,142,371

Principal and interest payment schedules are provided in the following table (in thousands) for general obligation bonds, loans and capital leases. The liability for grants will be liquidated in October, 1990, or shortly thereafter. There are no payment schedules for compensated absences, workers compensation or pension liabilities. Other liabilities include arbitrage rebate payable to the federal government. Of this amount $2,072,405 is payable in fiscal year 1993, $2,964,502 payable in fiscal year 1994 and the remainder in fiscal year 1995.

Fiscal Year (s)	General Obligation Bonds	Revenue Bonds	Loans	Capital Leases	Totals
1991	$ 229,764	$ 4,885	$ 4,116	$ 7,449	$ 246,214
1992	216,441	5,013	20,999	5,676	248,129
1993	201,036	5,011	4,116	3,464	213,627
1994	208,163	4,512	4,012	1,234	217,921
1995	190,125	4,302	3,722	1,132	199,281
1996 - 2000	709,186	23,031	18,608	971	751,796
2001 - 2005	330,676	12,343	-	-	343,019
2006 - 2010	96,819	14,599	-	-	111,418
Total Payments	$2,182,210	$73,696	$55,573	$19,926	$2,331,405
Interest	674,564	35,696	-	2,238	712,498
Total Principal	$1,507,646	$38,000	$55,573	$17,688	$1,618,907

Minnesota Statutes, Section 16A.65 provides for an annual appropriation for transfer to the Debt Service Fund. The amount of the appropriation is to be such that, when combined with the balance on hand in the Debt Service Fund on November 1 of each year for state bonds issued by January 1, 1985, and on December 1 of each year for state bonds issued after January 1, 1985, it will be sufficient to pay all general obligation bond principal and interest due and to become due through July 1 in the second ensuing year. If the amount appropriated is insufficient, when combined with the balance on hand in the Debt Service Fund, the State Constitution requires the State Auditor to levy a statewide property tax to cover the deficiency. No such property tax has been levied since 1969 when the law was enacted requiring the appropriation.

In fiscal year 1990 the Department of Finance made the necessary transfers (in thousands) to the Debt Service Fund as follows:

General Fund	$189,456
Special Revenue Funds:	
Natural Resources Funds	35
Trunk Highway Fund	9,335
Maximum Effort School Loan Fund	2,012
Miscellaneous Special Revenue Fund	1,365
Capital Projects Fund (Building Fund)	14,573
Total Operating Transfers to Debt Service Fund	$216,776

The amount shown in the Debt Service Fund as reserved for debt requirements differs from that shown in the General Long-Term Obligation Account Group as Amount Available in Debt Service Fund because the Debt Service Fund amount includes amounts for both principal and interest on general obligation bonds while the General Long-Term Obligation Account Group includes only the amount for bond principal.

Two issues of general obligation bonds are recorded as liabilities of an enterprise fund, the State University Board Revenue Fund, because the earnings of the fund are pledged for repayment of bonds. This fund makes debt service transfers fulfilling the legal requirements for general obligation debt service. Debt service transfers and the earnings on them are reported as restricted assets in the enterprise fund and as funds held in trust in the Debt Service Fund. The General Fund remains secondarily liable for these bonds.

General Obligation Bond Issues

During fiscal year 1990, $225,000,000 in general obligation bonds were issued at a true interest rate of 6.64 percent and $121,475,000 in general obligation bond principal was repaid.

Advance Refunding - In previous years the state issued general obligation refunding bonds to refund obligations of certain bond issues. The proceeds of the bond issues were placed in special escrow accounts and invested in government securities. These investments have been certified to be sufficient to pay all principal and interest on the bonds when due. Accordingly, the original refunded bonds have been eliminated, and the new advance refunding bonds added to the General Long-Term Obligation Account Group.

The balance outstanding for all the extinguished debt at June 30, 1990, was $454,450,000 consisting of the following (in thousands). The state remains contingently liable to pay the refunded general obligation bonds.

Outstanding Defeased Debt

Refunding Date	Refunding Amount	Refunded Amount	Outstanding Amount	Final Maturity Date
June 1, 1985	$116,500	$109,400	$ 78,150	Aug. 1, 2004
July 1, 1985	52,125	47,250	31,500	Aug. 1, 2006
Aug. 1, 1986	236,500	227,800	183,800	Aug. 1, 2000
Mar. 6, 1988	182,500	165,450	161,000	Aug. 1, 2007
Total	$587,625	$549,900	$454,450	

A schedule of general obligation bonds authorized but unissued and bonds outstanding at June 30, 1990, is provided in the table below (in thousands):

Purpose	Authorized But Unissued	Amount Outstanding	Interest Rates Range - %
State Building	$521,210	$ 736,320	3.75 - 9.63
State Transportation	28,035	54,034	4.69 - 9.31
Waste Management	13,425	15,975	6.50 - 8.66
Water Pollution Control	29,722	89,681	4.58 - 8.66
Maximum Effort School Loan	41,850	26,136	5.86 - 8.40
Municipal Aid	4,330	-	
Reinvest in Minnesota	11,695	13,300	6.00 - 7.20
Rural Finance Administration	41,425	8,575	8.90 - 8.95
Family Farm Security	-	12,000	7.10 - 8.70
Natural Resources	-	7,000	5.10
Parks and Recreation	-	21,600	4.72
Zoological Garden	-	8,450	4.99 - 5.70
Vietnam Veterans Bonus	-	12,000	4.48 - 4.98
Refunding Bonds	-	414,085	6.99 - 8.41
Exchange Bonds	-	6,289	.05
School Energy Building	7,000	10,300	6.00 - 9.31
Game and Fish Building	-	521	7.96 - 8.66
Trunk Highway	-	71,355	3.75 - 9.31
Master Lease	-	25	5.50 - 7.75
Totals	$698,692	$1,507,646	

Revenue Bonds Payable

Revenue bonds payable totalling $38,000,000 reported in the General Long-Term Obligation Account Group are obligations of the Agricultural and Economic Development Board (AEDB). Minnesota Statutes Section 41A.022 authorized the issuance of revenue bonds by the AEDB to promote economic development by providing loans to businesses in Minnesota. These bonds are to be repaid from loan repayments and interest earnings of the AEDB and are not a general obligation of the state.

The activities of this board were transferred to the Miscellaneous Special Revenue Fund by the 1989 Legislature. During fiscal year 1990 $9,920,000 in revenue bonds for the Small Business Development Loan Program were issued by the board at a true interest rate of 7.29 percent and $1,300,000 in revenue bond principal was repaid. A reservation of fund balance for debt requirements, totalling $19,406,605, is provided for these bonds.

Loans

Loans payable are the result of loans from local governments to the state for preliminary financing of highway construction projects. This financing provides advance funding of the state and federal share of these projects. Loan repayment, without interest, begins after completion of the related project.

Grants

Various grant payments are based on data for one fiscal year but are paid from resources appropriated for the subsequent year. Where the payment is based on services or actions completed by the recipient as of June 30, 1990, we have determined that a long-term liability exists. Liabilities totaling $312,120,966 for such grants are recognized at June 30, 1990. This amount includes $295,576,967 in final payments for school aids for fiscal year 1990, payable in October, 1990. The remainder is for tuition reciprocity owed to surrounding states for the school year ended June 30, 1990 and for reimbursements to counties for property taxes lost as the state took over certain previously taxable property.

Compensated Absences

The liability for compensated absences for governmental funds totaling $129,059,229 is primarily for vacation leave and for vested sick leave which is payable as severance pay under specific conditions. Both amounts are paid only at the time of termination from state employment. This obligation will be liquidated using future resources at unspecified times.

Workers Compensation

The liability for workers compensation was estimated for the first time at the end of fiscal year 1990, thus no beginning balance or decrease is available. The liability reported is based on claims filed for injuries, to state employees, occurring prior to June 30, 1990 and is an undiscounted estimate of future payments. The liability will be liquidated using future resources at unspecified times.

Leases

Capital leases payable are for those leases meeting the criteria in GASB Statement 1, Authoritative Status of NCGA Pronouncements and AICPA Industry Audit Guide. See Note 8 for minimum future payments under operating leases.

Pension Liabilities

The pension liabilities of $850,000 represent the fiscal year 1990 funding deficit for the pension trust funds. This liability is the amount, for any fund, that the actuarially determined contribution requirement exceeds actual contributions made. See Note 19.

Other Liabilities

Other liabilities consists of mining tax refunds due mining companies and arbitrage rebate payable to the federal government.

During fiscal year 1990, the mining tax refund liability for taconite occupation taxes overpaid from 1971 through 1982 was settled, primarily by payments to the companies.

Arbitrage rebate payable of $6,434,000 is the estimate of excess earnings on tax-exempt bond proceeds and debt service reserves as required under the Tax Reform Act of 1986 and U.S. Treasury regulations. Interest earnings on bond proceeds are used primarily for debt service payments. The arbitrage rebate will be paid through an appropriation from the general fund. There is no reservation of assets for this liability.

8. LEASE AGREEMENTS

Operating Leases

The state is committed under various leases primarily for building and office space. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 1990 totalled $29,469,937. Future minimum lease payments for existing lease agreements are as follows (in thousands):

Year Ending	Amount
1991	$ 29,435
1992	25,494
1993	19,591
1994	16,501
1995	10,362
Total	$101,383

Capital Leases

The state has entered into several capital lease agreements to purchase equipment. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The terms of each agreement provide options to purchase the equipment at any time during the lease period.

Governmental Funds - The equipment purchased through capital lease agreements is included with the general fixed assets. The liability for these capital leases is included in general long-term obligations (see Note 7).

9. ECONOMIC DEVELOPMENT REVENUE BONDS OF THE IRRRB

The Iron Range Resources and Rehabilitation Board (IRRRB) was authorized by Minnesota Statutes to issue revenue bonds to finance projects within certain tax relief areas of the state. These bonds were payable solely from the revenues of the enterprises being financed. As of July 1, 1989 economic development revenue bonds totalling $8,565,000 had been sold with $8,025,000 in default at that time. While not an obligation of the IRRRB or the state, a reserve in the Northeast Minnesota Economic Protection Fund (NMEPF), an expendable trust fund, provided a backup guarantee for these bonds. On December 1, 1989, the bonds in default were retired using the reserve and an appropriation of $1,246,872 from the NMEPF. The total paid was $8,446,443, which included interest. In consideration for these payments the state acquired three properties with an estimated value of $5,500,000. One of these properties was subsequently sold for its estimated value of $2,300,000. The remaining properties, pending resale, are reported as inventory in the NMEPF.

10. LONG-TERM OBLIGATIONS - PROPRIETARY FUNDS

Revenue Bonds

The agencies listed below (all are enterprise funds) have the authority to issue, and have issued, bonds which are not general obligations of the state but are payable solely from rentals, revenues and other income, charges and monies as were pledged for repayment. Premiums and discounts on revenue bonds are amortized using the interest method over the life of the bonds to which they relate.

The Housing Finance Agency (HFA) is authorized by Minnesota Statutes Section 462A.08-.14 to issue its bonds and notes for the purpose of providing funds for rehabilitation loans, construction loans and mortgage loans to sponsors of residential housing for families of low and moderate income, or refunding bonds. The amount of such bonds outstanding at any time shall not exceed $1,990,000,000.

The Higher Education Facilities Authority (HEFA) is authorized by Minnesota Statutes Sections 136A.32-.34 to issue revenue bonds to finance the acquisition, construction and remodeling of college buildings and structures to be used for private nonsectarian educational purposes, and to refinance facilities of this type. The amount of such bonds outstanding at any time may not exceed $250,000,000. Each issue is payable solely from and secured by a first lien on the revenues of the project financed, reserve funds and the guarantee of the institution for which the project is financed.

The State University Board (SUB) is authorized by Minnesota Statutes Section 136.41 to issue revenue bonds in the principal amount of $92,800,000 to finance the acquisition, construction and remodeling of college buildings for residence hall, student union and food service purposes.

The Higher Education Coordinating Board (HECB) is authorized by Minnesota Statutes Sections 136A.171-.175 to issue revenue bonds and notes to finance guaranteed loans for students attending eligible post-secondary educational institutions. The amount of such bonds outstanding at any one time, not including refunded bonds or otherwise defeased or discharged bonds, may not exceed $550,000,000.

The Public Facilities Authority (PFA) is authorized by Minnesota Statutes Sections 446A.08 and 446A.12 to issue revenue bonds for the purpose of making loans to municipalities for wastewater treatment facilities. The amount of such bonds outstanding at any time shall not exceed $245,000,000.

General Obligation Bonds

General obligation bonds have been issued for the State University Board (SUB) Revenue Fund (an enterprise fund). The liability for these bonds is reported in that fund. The earnings of the fund are pledged for repayment of the general obligation bonds and any revenue bonds sold for the same purpose. At June 30, 1990 the total of general obligation bonds outstanding in the State University Board Revenue Fund was $8,740,000.

Master Lease Debt

On June 30, 1990 there was $22,126,263 of master lease debt payable from various internal service funds (ISF) and the General Fund. Under the master lease program, certificates of participation and loan proceeds are used to purchase equipment resulting in lower financing costs. This debt is not a general or moral obligation of the state but is payable from lease payments.

To avoid overstating the liability for the master lease program, the debt is reported in the fund purchasing the equipment; any remaining liability is reported in the Master Lease Fund, an internal service fund. The liability for equipment purchased by the General Fund is included in general obligation bonds payable in the General Long-Term Obligation Account Group. Liabilities for equipment purchased by the internal service funds is included in revenue bonds payable and loans payable.

At June 30, 1990 the master lease liability is as follows (in thousands):

Master Lease Fund	$ 1,774
Other Internal Service Funds	20,327
General Long-Term Obligation Account Group	25
Total	$22,126

Bond Defeasances

For proprietary fund debt that was defeased in prior years through in-substance defeasances, the outstanding defeased amount as of June 30, 1990 is as follows (in thousands):

HFA	$17,062
SUB	24,570
HECB	37,000

These agencies remain contingently liable to pay this defeased debt.

Installment Purchases

The liability for installment purchases was $7,557,625 at June 30, 1990. Computer equipment purchases by the Computer Services Fund (an internal service fund) accounts for the majority of this amount. A schedule of minimum installment payments for the Computer Service Fund is shown below (in thousands).

Fiscal Year	Amount
1991	$3,794
1992	3,347
1993	790
Total Payments	$7,931
Less: Interest	(581)
Present Value of Net Minimum Payments	$7,350

Long Term Debt Repayment Schedule
Proprietary Funds - June 30, 1990
(in thousands)

	Revenue Bonds					General Obligation Bonds	Master Lease Debt
Fiscal Year(s)	HFA	HEFA	SUB	HECB	PFA	SUB	ISF
1991	$ 185,775	$ 15,586	$ 1,713	$ 9,550	$ 21,785	$4,768	$ 7,995
1992	183,602	17,747	1,708	4,950	21,449	421	6,987
1993	178,833	12,647	1,707	5,750	21,571	410	6,050
1994	200,035	12,044	1,710	6,550	25,490	4,128	3,015
1995	167,835	11,277	1,705	7,200	6,386	-	1,390
1996 - 2000	800,750	50,369	8,520	34,950	23,907	-	-
2001 - 2005	747,599	39,433	8,527	9,475	24,494	-	-
2006 - 2010	730,638	23,514	8,520	-	18,813	-	-
2011 - 2015	679,321	8,462	8,571	-	-	-	-
2016 - 2020	361,856	1,229	6,848	-	-	-	-
2021 - 2025	62,774	-	-	-	-	-	-
2026 - 2030	21,314	-	-	-	-	-	-
	$4,320,332	$192,308	$49,529	$78,425	$163,895	$9,727	$25,437
Unamortized (Discount)/Premium	-	(1,133)	-	(190)	(103)	-	-
Interest	(2,550,922)	(78,688)	(29,689)	(20,725)	(41,280)	(987)	(3,336)
Accretion	-	-	-	-	(11,137)	-	-
Bond Principal	$1,769,410	$112,487	$19,840	$57,510	$111,375	$8,740	$22,101

11. LONG-TERM COMMITMENTS

Long-term commitments consist of grant agreements, construction and other contracts. These commitments will be partially funded by current reserves for long-term commitments with the remaining resources provided by future bond proceeds, mining tax revenues and federal grants. Long-term commitments as of June 30, 1990 were as follows (in thousands):

Special Revenue Funds:	
Trunk Highway Fund	$441,455
Iron Range Resources and Rehabilitation Fund	2,713
Capital Projects Funds:	
General Project Fund	2,816
Reinvest in Minnesota Fund	6,752
Transportation Fund	3,502
Building Fund	206,408
Total	$663,646

12. CONTINGENT LIABILITIES - LITIGATION

Payment of tort claims against the State is made from funds appropriated by the Minnesota Legislature for that purpose. The appropriation for the fiscal year ending June 30, 1987 was $1,175,203 and payments were $645,483. The appropriation for the fiscal year ending June 30, 1988, was $918,500 and payments were $429,694. For the fiscal year ending June 30, 1989, payments were $986,586.96 and appropriations were $918,500. For the fiscal year ending June 30, 1990, appropriations were $919,000 and payments were $1,214,312.63. The maximum limits of liability for tort claims are $200,000 for any individual claim and $600,000 for any number of claims arising out of a single occurrence.

Lawsuits based on non-tort theories furnish another basis for potential liability. The following cases in which the State, its officers or employees, are defendants have been noted because an adverse decision could result in expenditures of State moneys in excess of current levels.

a. At any one time, there are hundreds of long-term care rate appeals pending with the Department of Human Services. In the aggregate, it is possible that the adverse impact of the appeals exceeds $5 million. Any liability comes from a combination of the federal and general funds and a lesser amount from local governmental units.

b. At any one time, there are hundreds of Department of Transportation eminent domain actions being litigated in district courts throughout the State. There is a continuous flow of such cases, with the actual number depending on many factors such as the number of parcels of land that can be acquired by direct purchase, the construction needs of the Department and revenues available for highway projects. In the aggregate, the potential cost to the State for property which has been or will be acquired exceeds $5 million. Liability arising out of decisions unfavorable to the State may impact the trunk highway fund.

c. Alternative Minimum Tax (AMT) actions.

Agrigenetics Corporation v. James and 21 other actions. Ramsey County District Court. Plaintiffs challenge the constitutionality of the corporation alternative minimum tax enacted in 1987. Taxes collected under the challenged tax amounted to approximately $160 million for the 1987-1989 tax years. Any liability would impact the General Fund. The contested tax was repealed by the 1990 Legislature.

d. Manypenny, et al. v. United States, State of Minnesota, et al., United States District Court, District of Minnesota, Fourth Division. This litigation involves land claims on the White Earth Indian Reservation. Plaintiffs have brought an action to regain ownership of several hundred thousand acres of land on the Reservation. Plaintiffs are challenging transfers of land involving tax forfeitures and probate distributions and are also making a host of minor claims. Plaintiffs sought certification as a class claiming damages in excess of $100,000,000. Certification as a class action was denied. The claims against the State were dismissed by the district court. An appeal has been filed with the United States Court of Appeals for the Eighth Circuit. Any liability arising out of a decision against the State may impact the general fund.

e. Tax refund actions based on Memphis Bank v. Garner, 103 S. Ct. 692 (1983) have been filed by most Minnesota Banks in district courts throughout the state. In Memphis Bank, the Court held unconstitutional a Tennessee tax law which included interest on federal obligations in the computation of net income, which is the measure of the tax, but exempted interest on all obligations of state and political subdivisions. These plaintiff taxpayers contend that the Minnesota bank excise tax is likewise unconstitutional because Minnesota excludes interest on certain obligations of the State and its political subdivisions from the computation of the tax while including interest on federal obligations. The taxes and interest in suit are estimated to be in excess of $188 million for the tax years at issue, 1979-1983. In July, 1990 the Minnesota Supreme Court reversed in part and affirmed in part rulings by the Ramsey District Court that the bank tax was an income tax; that, if a franchise tax, it was discriminatory; and ordering refunds. Affirmed was the district court's finding that the tax was discriminatory. Reversed was the district court's finding that the tax was an income tax and its finding that the plaintiffs were entitled to refunds. In October, 1990 the plaintiffs filed a petition for certiorari in the U.S. Supreme Court requesting review of the Minnesota Supreme Court's holding that no refunds should be paid. The State will oppose the petition. A determination by the U.S. Supreme Court concerning whether it will hear the case is expected within six months. Any liability resulting from a final decision against the State may impact the general fund.

f. Northwestern Bell Telephone Co. v. James, Ramsey County District Court. Plaintiff seeks refunds of approximately $6.4 million in telephone gross earnings taxes. Plaintiff contends that customer access charges are gross earnings from businesses originating or terminating outside of Minnesota which should be excluded from gross earnings in computing its tax. Any liability may adversely impact the General Fund.

g. Joseph and Alice Strupp v. State of Minnesota, Ramsey County District Court. Plaintiffs claim a regulatory taking of their real property located in Winona County because the Commissioner of Natural Resources denied a permit to the plaintiffs to fill portions of their property for future development. The amount sought is $8 million. The case is not yet scheduled for trial. Any liability arising from a decision against the State may impact to the general fund.

h. Trust For Short-Term U.S. Government Securities v. Minnesota Department of Revenue, Hennepin County District Court and Yurista v. Commissioner, Minnesota Tax Court. Plaintiffs in these actions seek a declaratory judgment that Minnesota's income taxation of dividends received from mutual funds whose assets consist of U.S. government securities is unconstitutional. They assert that the dividends may not be taxed because interest on U.S. obligations is constitutionally exempt from state taxation. Both the District Court in Trust For Short Term and the Tax Court in Yurista decided in favor of plaintiffs. The Minnesota Supreme Court affirmed the Tax Court in Yurista in August, 1990. No appeal will be filed. Liability arising from refund claims might impact the general fund in an amount exceeding $35 million plus interest.

13. CONTINGENT LIABILITIES - OTHER

Municipal Debt Service

Under Minnesota Statutes Section 475A.03, Municipal Debt Service Aid Law, the state is contingently liable as guarantor for outstanding bond principal and scheduled interest payments, which on June 30, 1990 totaled $5,503,184. Statutes provide for defaults to be covered first by guarantee fees accumulated in the Miscellaneous Agency Fund (a fiduciary fund) until depleted, then funded from the General Fund, with subsequent reimbursement from the sale of state general obligation bonds.

Family Farm Security Loans

Under Minnesota Statutes Sections 41.52 and 41.56 concerning the Family Farm Security Loan Program, the state is contingently liable for 90 percent of the balance of the outstanding loans and 100 percent of certain restructured loans. As of June 30, 1990 the amount of outstanding loans was $21,988,511. The amount of the state's guarantee was approximately 90 percent of the sum of the outstanding loans. All loans are secured by mortgages on real property. In the event of default, proceeds from the sale of foreclosed property are applied to debt service prior to reducing any outstanding loan balances of the Miscellaneous Special Revenue Fund. General obligation bonds totalling $20 million provided additional resources for financing guarantee payments of this program. On June 30, 1990, the state owned 3,367 acres of repossessed farmland, held for resale, which is reported as inventory in the Miscellaneous Special Revenue Fund. An additional 4 loans in the amount of $496,185 were in default at June 30, 1990.

Pension Trust Funds

In addition to the pension trust funds included in the reporting entity (see Note 19), there are two other public employee pension funds for whose unfunded liability the state may be contingently liable. These are pension trust funds where the state is funding a portion of the unfunded liability. The pension trust funds involved, the year end for which the most current data is available and the unfunded liabilities are provided below (in thousands):

Minneapolis Employee Retirement Fund	June 30, 1989	$257,939
Local Police and Fire Funds	December 31, 1989	$394,454

Pension trust funds for which the state has custodial responsibility, but for which the state is not contingently liable, include the Public Employees Retirement, Police and Fire, and the Police and Fire Consolidation Funds. The unfunded liabilities and net assets available at June 30 for funding of these pension funds are provided in Note 19.

All of the above unfunded liabilities were computed using the entry age normal actuarial cost (level normal cost) method, and assuming a 5 percent interest rate and a 3.5 percent annual salary growth rate. Additional annual contributions are provided to reduce the current unfunded liabilities. It has been the intent of the legislature, in establishing contribution rates, to provide sufficient resources to retire, or fully fund, the liabilities for the Local Police and Fire Funds by June 30, 2009 and by June 30, 2017 for the Minneapolis Employees Retirement Fund.

14. RESIDUAL EQUITY TRANSFERS

Residual equity transfers-out exceed similar transfers-in by $3,529,390 because of differing reporting focuses for proprietary and governmental fund types. These residual equity transfers from governmental fund types are reported as part of the increase to contributed capital in the proprietary funds.

15. CONTRIBUTED CAPITAL

Components of the changes in the contributed capital of the enterprise and internal service funds are provided below (in thousands):

Source	Enterprise Funds	Internal Service Funds	Total
Contributed Capital, July 1, 1989	$39,526	$7,643	$47,169
Additions:			
General Fund Contributions	41	-	41
Federal Grants	17,338	-	17,338
Other Sources	3,647	-	3,647
Reductions:			
Depreciation on Fixed Assets Acquired with Contributed Capital	(370)	(2)	(372)
Changes in Reporting Entity	(28,745)	-	(28,745)
Contributed Capital, June 30, 1990	$31,437	$7,641	$39,078

16. DEFICIT RETAINED EARNINGS

Chemical Dependency Treatment (enterprise fund)
During fiscal year 1990 and earlier years rates charged for services were insufficient to cover costs, resulting in a June 30, 1990 deficit retained earnings of $2,082,341. The rates for services will be reviewed and adjusted to eliminate the deficit in future years.

Public Facilities Authority (enterprise fund)
This fund assists local governments in financing water treatment facilities through revenue bonding and federal subsidies. After this, the first full year of operations, a $995,715 deficit balance remained at June 30, 1990. Deficits in the early years of operations are expected in this fund; as federal subsidies are obtained and larger investable reserves are developed in future years, the deficit will be eliminated.

Telecommunications (internal service fund)
Fiscal year 1990 net income of $1,245,832 has eliminated most of the beginning of the year deficit, leaving a $208,555 deficit balance remaining at June 30, 1990. The rates charged for services should be sufficient to eliminate the deficit during the next year.

17. FUND BALANCES AND RETAINED EARNINGS

Reserved Fund Balances - The reserved portion of the fund balances indicates that a portion of the fund balance is not available for appropriation or is legally segregated for a specific future use.

The Budgetary Reserve in the General Fund is an amount appropriated by the legislature for use only when it appears that probable receipts will be less than anticipated and that the amount available for the remainder of the biennium will be less than needed for budgeted expenditures. In this circumstance, state law requires that the Commissioner of Finance, with the approval of the Governor and after consulting with legislative leadership, transfer amounts necessary from the reserve to the unreserved fund balance.

Reserved for Local Governments is the equity amount in three expendable trust funds required by the State Constitution to be paid to local governments. The funds are the Municipal State-Aid Street, County State-Aid Highway and Endowment School Funds. The payments to these local governments are for street and highway projects (to municipalities and counties) and to subsidize education in the local school districts.

Reserved for Other totalling $21,044,043 in the Special Revenue funds consists primarily of petroleum overcharge fines ($6,485,041 in the Federal Fund and $11,977,083 in the Miscellaneous Special Revenue Fund) allocated by the federal courts to be used for energy conservation programs. The remaining $2,581,919 in the Federal

Fund represents program revenues restricted for use in the Women, Infants and Children Food Program.

Unreserved Fund Balances - The unreserved portion of the fund balances consists of designated fund balances indicating tentative managerial plans for future use of resources and undesignated fund balances indicating those unreserved financial resources available for appropriation. A portion of the undesignated fund balances in the Natural Resources Funds (special revenue) may be appropriated only for specific programs.

Designated for Fund Purposes consists of fund balances for nonappropriated funds to be used for the following purposes (in thousands):

Special Revenue Funds	
Education	$ 12,355
Economic Development	77,885
Health and Social Services	12,478
Transportation	6,102
Resource Management	3,399
Miscellaneous	3,305
Nonexpendable Trust	
Resource Management	$ 911
Expendable Trust Funds	
Economic Development	$399,721
Miscellaneous	7,313

Retained Earnings Reservation - Retained Earnings Reserved per Law of the enterprise funds consists of the following:

- $27,756,000 in the College and University Enterprise Activities Fund's retained earnings is the cumulative federal subsidy for the federal student loan program.

- $41,848,000 in the Minnesota Housing Finance Agency Funds' retained earnings is the unused portions of state appropriations provided for specific programs. These programs are primarily for interest rate reduction on housing mortgages and home improvement loans.

18. DEFICIT UNDESIGNATED FUND BALANCES

The Special Workers Compensation Fund (a special revenue fund) provides supplementary workers compensation benefits to workers whose injury or disability meets certain requirements. For the most part, payments from this fund are reimbursements to insurance companies for payments to eligible injured workers. Funding for these reimbursements comes from an assessment on insurers and self-insurers. The undesignated fund deficit, $50,942,722 at June 30, 1990, will be reduced through increases in the assessment rate.

19. PENSION TRUST FUNDS

The state of Minnesota performs a fiduciary role for several pension trust funds. For some of these the state contributes, as an employer, and for others performs only a fiduciary role. These pension funds are categorized as either Defined Benefit, Defined Contribution, or Investment Trust Funds. All of the pension trust funds are reported on the accrual basis of accounting which means that employer and employee contribution revenues are recognized in the period in which the employee services are provided. Investments for the Defined Contribution and Investment Trust Funds are reported at market value. For the Defined Benefit Funds, short-term and equity investments are reported at cost with fixed income securities at amortized cost.

The contribution rates for all pension plans are set by statute. Actuarial valuations are performed annually for all of the defined benefit plans. The results of these valuations are not used to determine the annual contribution, but rather to determine if adjustments are needed in the defined benefit statutory rates to assure full funding by the target date.

Defined Benefit Pension Funds

Plan Descriptions

The defined benefit pension funds presented in the financial statements include various statewide public employee groups. The employee groups covered, eligibility and benefit provisions for each fund, as of July 1, 1990, are described below. Vesting occurs after 3 years for all but the Legislators and Elective State Officers Plans. Salary base used for calculating annuities in all cases is the average of the employee's salary for the high five successive years of service.

Multiple employer, cost sharing plans:

- The Public Employees Retirement Fund (PERF) covers employees of various governmental subdivisions including counties, cities, school districts and related organizations. There are two types of membership, Basic and Coordinated. Normal retirement age is 65. The annuity formula for each type of membership is the greater of: a step rate with a flat reduction for each month of early retirement, or a level rate (the higher step rate) with an actuarially based reduction for early retirement. The applicable rates for basic members are 2 and 2.5 percent, and for coordinated, 1 and 1.5 percent. The state is not responsible for the unfunded accrued liability of this fund but performs only in a fiduciary capacity.

- The Police and Fire Fund (P&FF) covers persons employed as police officers and firefighters by local governmental subdivisions who, prior to 1981, were not covered by a local relief association and all those hired since 1980. At age 55, with at least 3 years service, the employee is eligible for an unreduced annuity. The annuity is 2.5 percent for each year of service. The state is not responsible for the unfunded accrued liability of this fund but performs only in a fiduciary capacity.

- The Teachers Retirement Fund (TRF) covers teachers, and other related professionals, employed by the school districts or by the state. Normal retirement is age 65. The annuity formula for each type of membership is the greater of: a step rate with a flat reduction for each month of early retirement, or a level rate (the higher step rate) with an actuarially based reduction for early retirement. The applicable rates for basic members are 2 and 2.5 percent, and for coordinated, 1 and 1.5 percent. The state, as an employer for some participants, is liable for a portion of any unfunded accrued liability of this fund.

- The State Employees Retirement Fund (SERF) covers those employees of the state, University of Minnesota and certain other entities not covered by other pension funds. Normal retirement age is 65. The annuity formula is the greater of: a step rate with a flat rate reduction for each month of early retirement, or a level rate (the higher step rate) with an actuarial reduction for early retirement. The applicable rates are 1 percent and 1.5 percent. The state, as an employer for some participants, is liable for a portion of any unfunded accrued liability of this fund.

Single employer (state of Minnesota) plans:

- The State Patrol Retirement Fund (SPRF) covers state patrol officers, crime bureau officers, and various conservation officers who perform enforcement duties. Normal retirement age is 55. Annuity is based on 2.5 percent for each year of service.

- The Correctional Employees Retirement Fund (CERF) covers state employees who have direct responsibility for inmates at

Defined Benefit Pension Plans
Membership and Payroll

	Single Employer					Multiple Employers				
						State is an Employer		State is not an Employer		
	CERF	SPRF	JRF	ESOF	LRF	SERF	TRF*	PERF	P&FF	PFCF
Membership as of June 30, 1990:										
Statutory Authority - Minnesota, Chapter	352	352B	490	352C	3A	352	354	353	353	353A
Retirees and beneficiaries currently receiving benefits	364	465	178	8	163	13,385	16,550	29,436	1,493	393
Terminated employees:										
Vested - not yet receiving benefits	113	23	2	6	101	1,824	1,887	2,699	128	3
Nonvested - entitled to refund	45	4	1	-	3	4,638	14,205	7,695	121	1
Active employees covered:										
Vested	1,039	629	182	3	130	34,869	48,097	72,235	4,904	272
Nonvested	377	159	80	3	71	14,707	16,699	30,429	1,232	15
Current year covered payroll	$38,999	$30,150	$19,134	$404	$5,859	$1,254,991	$1,785,459	$1,947,504	$202,838	$10,221

* TRF membership information is as of July 1, 1989. Payroll information is current.

Minnesota correctional facilities. Normal retirement age is 55. The annuity is based on 2.5 percent for each year of service not to exceed 75 percent of average salary.

- The Judicial Retirement Fund (JRF) covers judges of the supreme court, district courts, county courts, probate courts and various court referees. Normal retirement age is 65; the annuity is 2.5 percent for each year of service (3 percent for each year after June 30, 1980).

- The Elective State Officers Fund (ESOF) covers the state's constitutional officers. Vesting occurs after 8 years; normal retirement age is 62. Annuities are 2.5 percent for each year of service.

- The Legislative Retirement Fund (LRF) covers members of the state's House of Representatives and Senate. Six years are required for vesting; normal retirement age is 62. Annuity is 2.5 percent for each year of service.

Multiple employer, agent plan:

- The Police and Fire Consolidation Fund (PFCF) covers police officers and firefighters belonging to a local relief association that elected to merge with the Public Employee Retirement Association (PERA). Local relief associations continue to merge with the PERA, continually increasing membership in the PFCF. Minimum age and other benefit provisions vary from one relief association to another. Participants have the option to elect benefit coverage of the P&FF (see above) or retain benefit coverage provided in under their relief association plan. The state is not responsible for the unfunded accrued liability of this fund but performs only in a fiduciary capacity.

Membership and payroll for the various plans are provided in the table above (dollars in thousands). The total payroll for the state for the year ended June 30, 1990 was $1,077,563,000. State payroll for employees covered by the SERF was $804,070,000 and for those covered by the TRF was $178,947,000.

Funding Status

The amounts shown (dollars in thousands) in the table below as the "pension benefit obligation" (PBO) are a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is in-

Defined Benefit Pension Plans' Funding Status

	Single Employer					Multiple Employers				
						State is an Employer		State is not an Employer		
	CERF	SPRF	JRF	ESOF	LRF	SERF	TRF	PERF	P&FF	PFCF
Actuarial Valuation Date	7/1/90	7/1/90	7/1/90	7/1/90	7/1/90	7/1/90	7/1/89	7/1/90	7/1/90	7/1/90
Pension Benefit Obligation:										
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 35,659	$ 95,947	$ 36,278	$ 1,099	$ 17,527	$ 805,724	$1,967,559	$1,970,629	$222,683	$ 70,338
Current employees:										
Accumulated employee contributions including allocated investment income	17,419	32,468	6,218	366	4,224	510,045	1,506,344	837,519	169,242	12,239
Employer-financed vested	31,038	54,297	18,232	513	6,372	867,448	1,820,378	1,071,788	175,876	31,668
Employer-financed nonvested	3,438	15,647	7,759	130	1,531	144,950	255,142	210,024	89,652	3,141
Total Pension Benefit Obligation	$ 87,554	$198,359	$68,487	$2,108	$29,654	$2,328,167	$5,549,423	$4,089,960	$657,453	$117,386
Net assets available for benefits, at cost	95,015	182,920	28,204	351	12,748	2,067,068	4,467,289	3,250,157	739,068	86,371
Unfunded (Assets in excess of pension benefit obligation)	$ (7,461)	$ 15,439	$40,283	$1,757	$16,906	$ 261,099	$1,082,134	$ 839,803	$ (81,615)	$ 31,015
Net assets available for benefits, at market value	$100,807	$191,116	$27,937	$ 351	$12,748	$2,188,634	$4,769,443	$3,391,334	$787,476	$ 87,361

tended to help users assess the funding status of the retirement plans on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers and retirement funds. This measure is independent of the actuarial funding method used to determine contributions to the retirement funds.

The single employer retirement plans the state participates in had a combined PBO of $386,162,000 and net assets available for benefits, at cost, of $319,238,000 ($332,959,000 market value).

At the end of each fiscal year, actuarial valuations are prepared by an independent actuary hired by the legislature to calculate the pension benefit obligation and to determine whether adjustments in the statutory contribution rates are necessary. The pension benefit obligation information in the schedule on the previous page is based on the actuarial valuations for the most current year available, July 1, 1989 or 1990, as indicated.

Actuarial assumptions used in preparing actuarial information provided in the defined benefit tables were:

Projected salary increases of 6.5 percent which includes increases for inflation and merit, but not separately distinguished.

Pre-retirement investment return of 8.5 percent.

Post-retirement investment return of 5 percent (8.5 percent for PFCF).

Impact of July 1, 1990 changes in actuarial assumptions.

Rates of separation have been updated to reflect recent plan experience for PERA and P&FF. The impact of this change is an increase of $59,942,000 for PERA and $6,978,000 for P&FF.

Contributions - Required and Made

Contributions made are based on rates set in statute. Except for the Judicial Retirement, Elective State Officers Retirement and the Legislative Retirement Funds, all of the defined benefit pension funds are funded using level contribution rates which are intended to be sufficient to fully fund the accrued actuarial liabilities by the year 2020 (2010 for PFCF).

The Judicial Retirement and the Legislative Retirement Funds are terminally funded. At the time of retirement, members' contributions are supplemented by employer contributions from the General Fund, in an amount sufficient to provide the necessary resources for future annuity payments. The Elective State Officers Fund operates on a pay-as-you-go basis. If the fund's resources are fully depleted, employer contributions, in an amount sufficient to pay current obligations, will be made from the General Fund.

The actuarially determined contribution requirements, necessary to pay pension benefits when due were computed using the entry age normal cost (entry age actuarial cost) method. Actuarial assumptions used to calculate the required contribution are the same as those used to calculate the pension benefit obligation above.

The actuarially determined contribution requirements and contributions actually made, along with the funding surplus or deficit are provided in the table below for all funds (dollars in thousands). The state's actuarially determined contribution requirement was 64.1 percent and 10.0 percent of the total required contributions for the State Employees Retirement and the Teachers Retirement Funds respectively.

Trend Information

Trend information provides an indication of the progress made toward accumulating sufficient assets to pay benefits when due. Three year trend information is provided on the next page for those retirement funds for which the state is the sole employer.

Employer contribution rates are authorized by state statutes. Ten year trend information, providing information about progress made in accumulating sufficient assets to pay benefits when due, is available for each retirement fund in the separately issued Comprehensive Annual Financial Reports for the Minnesota State Retirement System, Public Employees Retirement Association and the State Teachers Retirement Association.

Defined Benefit Pension Plans
Contributions Required and Made

	Single Employer					Multiple Employers				
						State is an Employer		State is not an Employer		
	CERF	SPRF	JRF	ESOF	LRF	SERF	TRF	PERF	P&FF	PFCF
Contributions Made:										
By Employee	$1,925	$2,568	$ 779	$ 36	$ 546	$ 55,671	$ 84,542	$ 87,031	$16,224	$ 596
% of covered payroll	4.90%	8.50%	4.30%	9.00%	9.00%	4.34%	4.59%	4.47%	8.00%	8.00%
By Employer	$3,412	$5,706	$5,500*	$112*	$ 451*	$ 57,200	$166,099	$ 93,865	$24,274	$5,347*
% of covered payroll	8.70%	18.90%	N/A	N/A	N/A	4.51%	9.07%	4.86%	12.00%	12.00%
Total contributions made	$5,337	$8,274	$6,279	$148	$ 997	$112,871	$250,641	$180,896	$40,498	$5,943
Actuarial determined contribution requirements	$4,239	$6,585	$4,650	$136	$1,847	$102,156	$223,539	$171,965	$32,880	$5,943
% of covered payroll	10.87%	21.84%	24.30%	33.75%	31.52%	8.14%	12.52%	8.83%	16.21%	N/A
Funding surplus (deficit)	$1,098	$1,689	$1,629	$ 12	$ (850)**	$ 10,715	$ 27,102	$ 8,931	$ 7,618	$ 0

* Contributions include $5,500,000, $111,742, $450,823 and $5,189,092 for employer lump sum paid contributions for JRF, ESOF, LRF and PFCF respectively.

** Funding deficit for which the state is liable has been included in the General Long-Term Obligation Account Group.

Three Year Historical Trend Information (Unaudited)

	CERF	SPRF	JRF	ESOF	LRF
Net assets available for benefits expressed as a percent of the pension benefit obligation:					
1990	109%	92%	41%	17%	43%
1989	105%	89%	36%	16%	46%
1988	105%	87%	36%	16%	50%
Unfunded (assets in excess of) pension benefit obligation expressed as a percent of annual covered payroll:					
1990	(19%)	51%	211%	435%	289%
1989	(11%)	73%	226%	420%	315%
1988	(10%)	82%	237%	404%	271%
Employer contributions expressed as a percent of annual covered payroll:					
1990	9%	19%	29%	29%	9%
1989	8%	18%	16%	27%	8%
1988	9%	19%	16%	27%	12%

Defined Contribution Funds

The Defined Contribution Funds presented in the financial statements include various statewide public employee retirement funds for which the benefits to be received are limited to an annuity which can be purchased with the combined contributions of both the employee and employer. Accordingly, there is no unfunded liability for these funds; therefore, there is no actuarial valuation of accrued benefit liability nor any actuarially required contribution.

Plan Descriptions

The Unclassified Employee Retirement Fund, authorized by Minnesota Statutes, Chapter 352D, covers only those state employees who are included either by statute or policy in the "unclassified service" of the state. Contribution rates are set in statute. Vesting occurs immediately and normal retirement age is 58. Annuity is based on age and value of participant's account. Participation and funding for the fiscal year ended June 30, 1990, were as follows (dollars in thousands):

Total employees covered	2,191
Annual payroll of covered employee	$62,986
Employee contribution rate	4%
Total employee contributions	$3,018
Employer contribution rate	6%
Total employer contributions	$4,004

The College Supplemental Retirement Fund, authorized by Minnesota Statutes, Chapter 136.80, covers unclassified teachers, librarians, administrators, and certain other community college and state university staff members who have been employed full-time for a minimum of two academic years. For qualified employees, participation is mandatory. The statutory contribution rate of five percent is applied to their annual salary between $6,000 and $15,000, and their contributions are matched by the employer. Vesting for this plan ocurs immediately and normal retirement age is 55. Annuity is based on age and value of participant's account. Participation and contributions were as follows (dollars in thousands):

Total employees covered	3,379
Total employee contributions	$ 1,471
Total employer contributions	$ 1,471
Total payroll for covered employees is at least	$49,694

Investment Trust Funds

The Investment Trust Funds are administered by the State Board of Investment and serve only as an investment medium for various state, as well as locally administered, retirement funds and the Deferred Compensation Fund, an agency fund.

20. POST-RETIREMENT BENEFITS

For a limited number of employees, post-retirement benefits are available upon retirement at age 55. Through fiscal year 1990, the employees involved were primarily conservation officers, guards at correctional facilities, and highway patrol officers. If these employees elect retirement at age 55, the state is required to pay the employer share of health insurance benefits until age 65. The cost of these benefits is recognized as paid and totalled $856,168 for the year ended June 30, 1990.

In addition to the above employees, the 1990 Legislature provided an early retirement incentive, for employees meeting specific requirements, that will pay the employer share of health insurance benefits until age 65. The estimated fiscal year 1991 cost for those electing this benefit is $1.1 million.

21. DEFERRED COMPENSATION

The state offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all public employees in the state and is administered by the Minnesota State Retirement Association. Investments are managed by the State Board of Investment and two insurance companies. The plan is accounted for in the Deferred Compensation Fund, an agency fund, with its investments reported at market value.

Under this plan, compensation is deferred for income tax purposes in accordance with Section 457 and is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts deferred under the plan, all assets purchased with such deferrals, related income, property, or rights remain (until made available to the employee or beneficiary) solely the property and rights of the employer (the state or local unit of government), subject only to the general creditors of the employer.

In accordance with state statute, the state is not liable for any losses under the plan but does have the duty of due care that would be required of a prudent investor. The state believes that it is unlikely that it, or other employers under the plan, will use the assets to satisfy the claims of general creditors in the future.

Of the $488.5 million of investments in the Fund at June 30, 1990, $229.4 million was applicable to the state while the remainder represents the assets of the other units of government participating in the plan. At June 30, 1990, $330.3 million of assets and funds held in trust are managed by third party administrators.

22. REPORTING CHANGES

Change in Accounting Principle

Statements of Cash Flows are being presented for all proprietary and nonexpendable trust funds to meet the requirements of Statement 9 of the Governmental Accounting Standards Board (GASB). This replaces the Statement of Changes in Financial Position, which was on a cash and investment basis. The change in accounting principle reported on the Statements of Cash Flows represents the amount of investments as of July 1, 1989.

Change in Reporting Entity

The Changes in Reporting Entity amounts reflect the consolidations of various funds and accounts into other funds and the inclusion of the Greater Minnesota Corporation (GMC) activity in the state treasury and statewide accounting system, all of which were mandated by the state legislature. Additionally, the Insurance Trust Fund, previously reported as an expendable trust fund, with a $21,954,849 fund balance at June 30, 1989, is now the Employee Insurance Fund, and more appropriately classified as an internal service fund.

As of July 1, 1989 certain funds were completely eliminated by creating new funds or combining their activity into existing funds. The June 30, 1989 fund equity of eliminated funds is reported as Changes in Reporting Entity in the funds receiving components of those funds. For eliminated proprietary type funds transferring to governmental type funds, the Changes in Reporting Entity is net of the effects of fixed assets and long term debt which are recorded as adjustments to the appropriate account group. The June 30, 1989 fund equity of the eliminated funds is provided below (in thousands):

Special Revenue Funds:	
Water Recreation	$ 6,207
Direct Appropriated	1,900
Public Health	1,608
Expendable Trust Fund:	
Rural Rehabilitation	7,847
Enterprise Funds:	
Economic Development Authorities	18,836
Zoological Gardens:	
Contributed Capital	28,431
Retained Earnings	(292)

$33,837,546 of the Changes in Reporting Entity of the Miscellaneous Special Revenue Fund is fund equity of the GMC which was previously excluded from the state's reporting entity. Because of the actions of the legislature bringing their assets and financial activity into the state treasury, we have determined that the GMC should be included as a part of the state's reporting entity.

The Changes in Reporting Entity for all funds does not equal zero because of the effect of fund elimination (no fund remaining to deduct equity from), inclusion of previously excluded GMC, and the effects of moving fixed assets and long term debt from enterprise to governmental fund type.

23. ENTERPRISE FUNDS - SEGMENT INFORMATION

State of Minnesota agencies provide major services to the public, financed by user charges. These agencies are:

Housing Finance Agency (HFA)
Higher Education Facilities Authority (HEFA)
State University Board (SUB)
Higher Education Coordinating Board (HECB)
Public Facilities Authority
State Lottery
College and University Enterprise Activities
Minnesota Correctional Industries
Chemical Dependency Treatment

In addition, services on a smaller scale are provided by other numerous functions (Enterprise Activities).

Significant enterprise fund financial data for the year ended June 30, 1990, is presented at the bottom of this page.

24. BUDGETARY BASIS VS GAAP

Actual revenues, transfers-in, expenditures, encumbrances and transfers-out on the budgetary basis do not equal those on the GAAP basis in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds. This inequality results primarily from differences in the recognition of accruals, reimbursements, deferred revenue, intrafund and loan transactions, and from the budgetary basis of accounting for encumbrances. On the budgetary basis, encumbrances are recognized as expenditures in the year encumbered, while on the modified accrual basis expenditures are recognized when goods or services are received regardless of the year encumbered. A reconciliation of the fund balances under the two bases for the General and special revenue funds is provided in the table on the next page.

A major difference between GAAP and budgetary fund balances for special revenue funds is an entity difference for those funds which do not require legal appropriations. A reconciliation of this entity difference is presented here (in thousands). Other differences in basis of accounting and perspective (fund structure) are included in the table on the next page.

Total GAAP Basis Fund Balances - All Special Revenue Funds	$661,352
Special Revenue Funds not requiring legal appropriation	(232,415)
Total GAAP Fund Balances - Appropriated Special Revenue Funds	$428,937

Enterprise Funds' Segment Information
(in thousands)

	HFA	HEFA	SUB	HECB	Public Facilities Authority	State Lottery	College & University Enterprise Activities	MN Correctional Industries	Chemical Dependency Treatment	Total
Operating Revenues	$178,529	$6,159	$35,455	$12,317	$9,428	$68,304	$21,690	$11,027	$11,881	$354,790
Depreciation/Amortization Expense	3,543	169	2,917	144	29	94	73	233	-	7,202
Operating Income (Loss)	20,868	(2,499)	3,100	3,980	198	9,056	865	(2,814)	(2,249)	30,505
Nonoperating Revenues (Expenses):										
Investment Income	-	2,911	3,746	7,032	-	244	716	87	255	14,991
Grants (Revenue)	61,973	-	215	1,758	-	-	183	-	-	64,129
Grants (Expense)	(68,440)	-	-	-	-	-	(431)	-	-	(68,871)
Net Operating Transfers-In (-Out)	15,158	-	-	-	-	(9,115)	-	3,128	546	9,717
Net Income (Loss)	29,741	229	7,053	12,964	198	-	975	367	(1,448)	50,079
Changes in Capital Contributions	-	-	(353)	-	20,984	-	-	43	-	20,674
Fixed Assets:										
Additions	321	8	1,886	26	-	1,984	86	134	-	4,445
(Deletions)	(600)	-	(91)	-	-	-	(51)	(355)	-	(1,097)
Net Working Capital	443,581	12,353	24,143	96,335	-	(1,690)	14,476	7,723	(1,905)	595,016
Total Assets	2,367,162	118,117	92,470	234,184	132,726	8,188	45,296	10,199	2,943	3,011,285
Noncurrent Liabilities Payable from:										
Operating Revenues	61	13	636	37	-	201	68	96	177	1,289
Other Sources	1,850,499	104,971	24,095	51,025	-	-	-	-	-	2,030,590
Total Fund Equity	365,982	3,341	58,948	175,564	19,988	-	44,457	9,276	(2,082)	675,474

Reconciliation of GAAP Basis Fund Balances to Budgetary Basis Fund Balances
June 30, 1990
(in thousands)

	General Fund	Special Revenue Funds					
		Trunk Highway	Highway User Tax Distribution	Other Transportation	Environmental	Natural Resources	Total Special Revenue
GAAP Basis Fund Balances	$820,226	$326,715	$1,964	$28,867	$35,463	$35,928	$428,937
Less Reserved Fund Balances	646,372	227,766	1,086	14,937	5,871	8,709	258,369
Less Designated Fund Balances	67,187	16,548	-	1,226	-	374	18,148
Undesignated Fund Balances	$106,667	$ 82,401	$ 878	$12,704	$29,592	$26,845	$152,420
Basis of Accounting Differences							
Revenue Accruals/Adjustments:							
Taxes Receivable	(15,698)	-	(63)	-	-	-	(63)
Human Services Receivable	(16,769)	-	-	-	-	-	-
Federal Aid Receivable	-	(13,276)	-	-	-	(1,738)	(15,014)
Deferred Revenue	47,454	-	-	-	-	-	-
Other Receivables	713	(2,223)	(1,289)	-	-	(7,885)	(11,397)
Expenditure Accruals/Adjustments:							
Medical Assistance	98,694	-	-	-	-	-	-
Police and Fire Aid	38,304	-	-	-	-	-	-
Community Service Grants	10,351	-	-	-	-	-	-
Invalid Encumbrances	(7,436)	-	-	(61)	-	-	(61)
Deferred Costs	878	-	-	-	-	-	-
Other Payables	4,782	516	387	228	-	-	1,131
Other Financial Sources (Uses):							
Transfers-In	(11,390)	-	-	-	(449)	-	(449)
Transfers-Out	-	-	4,619	-	-	72	4,691
Reserved Fund Balances:							
Long-Term Receivables	-	-	-	1,794	588	-	2,382
Fund Structure Differences							
Terminally Funded Pension Plan	4,682	-	-	-	-	-	-
Budgetary Basis:							
Undesignated Fund Balances	$261,232	$ 67,418	$4,532	$14,665	$29,731	$17,294	$133,640

25. SUBSEQUENT EVENTS

On July 1, 1990 and September 1, 1990, the Higher Education Facilities Authority (an enterprise fund) issued $3,800,000 and $5,155,000 respectively in revenue bonds. The net effective interests rates on the date of sale were 7.1% and 8.6% respectively. On August 1, 1990 the Higher Education Facilities Authority issued two revenue notes of $442,490 and $457,510 bearing interest rates of 7.4% and 7.5% respectively.

On July 15, 1990, the Public Facilities Authority (an enterprise fund) issued $71,029,777 in water pollution control revenue bonds. The interest rate was 6.5%.

The Minnesota Agricultural and Economic Development Board issued a total of $13,605,000 in industrial revenue bonds on the following dates (dollars in thousands):

		Interest Rate
July 17, 1990	$4,205	7.7%
August 14, 1990	4,000	7.7
August 15, 1990	2,200	7.5
September 25, 1990	3,200	7.8

The activity of this board is reported in the Miscellaneous Special Revenue Fund with any long term debt reported in the general long term obligation account group.

On July 27, 1990 and August 16, 1990, the Housing Finance Agency (an enterprise fund) issued $8,485,000 and $9,400,000 respectively in revenue bonds for the Home Improvement Loan Program. The interest rates were 7.1% and 9.4% respectively.

During the months of July, August and September 1990, $5,000,000 of revenue bonds were redeemed prior to their maturity by the Higher Education Coordinating Board (an enterprise fund) in consideration of arbitrage requirements. The Board redeemed an additional $1,500,000 of bonds during the months of October and November 1990.

On August 30, 1990, a $3,489,000 refund was approved for customers of the Computer Services Fund (an internal services fund). The refund will be made in the form of a credit on the August 1990 and January 1991 billings.

As required by the constitution and statutes, transfers from the funds presented below (in thousands) were made on November 1, and December 1, 1990, to the separately invested Debt Service Fund to cover principal and interest maturing through July 1, 1992.

General	$184,124
Game and Fish	35
Trunk Highway	8,538
Maximum Effort School Loan	2,136
Infrastructure Development (Building Fund)	6,413
Total Transfers to Debt Service	$201,246

The Maximum Effort School Loan Fund (a special revenue fund) did not have a sufficient balance in its loan repayment account to make the total required debt service transfer. The Laws of 1989, Chapter 329, Article 5, appropriated funds from the General Fund for this purpose, and $1,167,374 was provided and is included in the General Fund transfers above.

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Combining Financial Statements

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SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specific purposes as described below.

The *Trunk Highway Fund* is supported by revenues from the Highway User Tax Distribution Fund and federal grants to provide planning, design, construction and maintenance of the state trunk highway system.

The *Highway User Tax Distribution Fund* receives revenue from taxes on motor vehicles and motor fuels for transfer to various transportation related funds.

The *Other Transportation Funds* include two transportation related funds.

> *State Airports Fund* uses revenue from aviation related taxes and fees to provide technical and financial assistance to municipal airports and to promote aviation safety, planning and regulation.
>
> *Transit Assistance Fund* accounts for assistance provided to support and improve mass transportation.

The *Federal Fund* receives and disburses federal government grants and reimbursements. The fund is administered in accordance with grant agreements between the state and federal agencies.

The *Environmental Fund* accounts for activities that monitor and control environmental problems using taxes and fees from activities and industries contributing to environmental problems.

The *Natural Resources Funds* include three funds created for the purposes of preserving and improving the state's natural resources.

> *Minnesota Resources Fund* receives a portion of the cigarette and tobacco taxes which are appropriated for various natural resource development purposes.
>
> The *Natural Resources Fund* receives taxes from fuel used in recreational vehicles, fees and donations which are used to fund management of the related natural resource programs.
>
> *Game and Fish Fund* receives revenues from license fees and fines related to hunting and fishing which are spent for related purposes.

The *Maximum Effort School Loan Fund* receives bond proceeds and reimbursements from school districts to help finance school district construction projects.

The *Special Workers Compensation Fund* provides reimbursement for supplemental workers compensation benefits paid.

The *Iron Range Resources and Rehabilitation Fund* receives revenues from taconite taxes which are used to promote economic development in northeastern Minnesota.

The *Miscellaneous Special Revenue Fund* includes numerous smaller accounts whose revenues are dedicated to a variety of specific purposes.

STATE OF MINNESOTA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1990
(IN THOUSANDS)

	TRUNK HIGHWAY	HIGHWAY USER TAX DISTRIBUTION	OTHER TRANSPORTATION	FEDERAL
ASSETS				
Cash and Cash Equivalents	$ 299,591	$ 9,391	$ 26,856	$ 4,685
Investments	–	–	–	–
Accounts Receivable	7,925	3,956	558	37,623
Interfund Receivables	23,993	32,347	2,222	5,685
Accrued Investment/Interest Income	–	–	–	–
Federal Aid Receivable	51,605	–	–	230,167
Inventories	14,295	–	–	–
Deferred Costs	–	–	–	–
Loans Receivable	–	–	1,858	–
Total Assets	$ 397,409	$ 45,694	$ 31,494	$ 278,160
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 66,655	$ 1,945	$ 2,627	$ 210,074
Interfund Payables	3,597	41,785	–	18,144
Payable to Other Governmental Units	–	–	–	31,234
Deferred Revenue	442	–	–	9,641
Advances from Other Funds	–	–	–	–
Total Liabilities	$ 70,694	$ 43,730	$ 2,627	$ 269,093
Fund Balances:				
Reserved Fund Balances:				
Reserved for Encumbrances	$ 34,652	$ 1,086	$ 13,143	$ –
Reserved for Inventory	14,295	–	–	–
Reserved for Long-Term Receivables	–	–	1,794	–
Reserved for Long-Term Commitments	178,819	–	–	–
Reserved for Debt Requirements	–	–	–	–
Reserved for Other	–	–	–	9,067
Total Reserved Fund Balances	$ 227,766	$ 1,086	$ 14,937	$ 9,067
Unreserved Fund Balances:				
Designated for Appropriation Carryover	$ 16,548	$ –	$ 1,226	$ –
Designated for Fund Purposes	–	–	–	–
Undesignated	82,401	878	12,704	–
Total Unreserved Fund Balances	$ 98,949	$ 878	$ 13,930	$ –
Total Fund Balances	$ 326,715	$ 1,964	$ 28,867	$ 9,067
Total Liabilities and Fund Balances	$ 397,409	$ 45,694	$ 31,494	$ 278,160

ENVIRONMENTAL	NATURAL RESOURCES	MAXIMUM EFFORT SCHOOL LOAN	SPECIAL WORKERS COMPENSATION	IRON RANGE RESOURCES AND REHABILITATION	MISCELLANEOUS SPECIAL REVENUE	COMBINED TOTALS
$ 35,018	$ 29,866	$ 4,412	$ 9,869	$ 32,019	$ 123,337	$ 575,044
–	–	–	–	–	24,288	24,288
2,990	4,077	–	138	233	6,335	63,835
–	4,681	–	–	–	10,172	79,100
–	–	464	–	–	550	1,014
–	1,738	–	–	–	–	283,510
–	–	–	–	–	2,171	16,466
–	–	–	–	–	279	279
587	–	35,080	–	425	63,618	101,568
$ 38,595	$ 40,362	$ 39,956	$ 10,007	$ 32,677	$ 230,750	$ 1,145,104
$ 3,132	$ 3,896	$ –	$ 59,064	$ 1,563	$ 18,847	$ 367,803
–	538	–	–	–	2,092	66,156
–	–	–	–	611	–	31,845
–	–	–	–	–	5,512	15,595
–	–	–	–	–	2,353	2,353
$ 3,132	$ 4,434	$ –	$ 59,064	$ 2,174	$ 28,804	$ 483,752
$ 5,284	$ 8,709	$ –	$ 1,886	$ 3,768	$ 19,548	$ 88,076
–	–	–	–	–	2,171	16,466
587	–	34,829	–	421	62,047	99,678
–	–	–	–	2,713	–	181,532
–	–	–	–	–	19,407	19,407
–	–	–	–	–	11,977	21,044
$ 5,871	$ 8,709	$ 34,829	$ 1,886	$ 6,902	$ 115,150	$ 426,203
$ –	$ 374	$ –	$ –	$ –	$ –	$ 18,148
–	–	5,127	–	23,601	86,796	115,524
29,592	26,845	–	(50,943)	–	–	101,477
$ 29,592	$ 27,219	$ 5,127	$ (50,943)	$ 23,601	$ 86,796	$ 235,149
$ 35,463	$ 35,928	$ 39,956	$ (49,057)	$ 30,503	$ 201,946	$ 661,352
$ 38,595	$ 40,362	$ 39,956	$ 10,007	$ 32,677	$ 230,750	$ 1,145,104

STATE OF MINNESOTA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	TRUNK HIGHWAY	HIGHWAY USER TAX DISTRIBUTION	OTHER TRANSPORTATION	FEDERAL
Net Revenues:				
Motor Vehicle License Taxes	$ –	$ 297,072	$ –	$ –
Fuel Taxes	–	454,154	2,566	–
Other Taxes	–	–	9,858	–
Insurance Premiums	–	–	–	–
Federal Revenues	251,376	–	–	1,853,863
License Fees	31,095	2	16	–
Tuition and Student Fees	–	–	–	–
Departmental Services	8,312	5,728	–	1,842
Investment/Interest Income	24,526	–	2,194	636
Other Revenues	6,680	887	720	12,798
Net Revenues	$ 321,989	$ 757,843	$ 15,354	$ 1,869,139
Expenditures:				
Current:				
Protection of Persons and Property	$ 55,030	$ 10,441	$ –	$ 17,798
Transportation	274,681	536	4,571	1,023
Resource Management	–	–	–	15,002
Economic and Manpower Development	637	–	–	89,812
Education	20	–	–	23,086
Health and Social Services	755	–	–	47,713
General Government	983	1,759	–	1,941
Total Current Expenditures	$ 332,106	$ 12,736	$ 4,571	$ 196,375
Capital Outlay	445,254	167	402	13,889
Debt Service	16,000	–	–	–
Grants and Subsidies	1,331	–	29,492	1,659,971
Total Expenditures	$ 794,691	$ 12,903	$ 34,465	$ 1,870,235
Excess of Revenues Over (Under) Expenditures	$ (472,702)	$ 744,940	$ (19,111)	$ (1,096)
Other Financing Sources (Uses):				
General Obligation Bonds	$ –	$ –	$ –	$ –
Revenue Bonds	–	–	–	–
Proceeds from Loans	23,569	–	–	–
Operating Transfers–In	487,956	61,081	23,192	–
Operating Transfers to Debt Service	(9,335)	–	–	–
Other Operating Transfers–Out	–	(807,364)	–	(2,983)
Capital Leases	–	–	–	758
Net Other Financing Sources (Uses)	$ 502,190	$ (746,283)	$ 23,192	$ (2,225)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ 29,488	$ (1,343)	$ 4,081	$ (3,321)
Fund Balances, July 1, 1989, as Reported	$ 296,174	$ 3,307	$ 24,786	$ 1,157
Changes in Reporting Entity	–	–	–	11,561
Fund Balances, July 1, 1989, as Restated	$ 296,174	$ 3,307	$ 24,786	$ 12,718
Residual Equity Transfers–Out	–	–	–	(330)
Change in Inventory	1,053	–	–	–
Fund Balances, June 30, 1990	$ 326,715	$ 1,964	$ 28,867	$ 9,067

ENVIRONMENTAL	NATURAL RESOURCES	MAXIMUM EFFORT SCHOOL LOAN	SPECIAL WORKERS COMPENSATION	IRON RANGE RESOURCES AND REHABILITATION	MISCELLANEOUS SPECIAL REVENUE	COMBINED TOTALS
$ –	$ –	$ –	$ –	$ –	$ –	$ 297,072
–	–	–	–	–	–	456,720
7,487	8,028	–	113,069	17,821	2,019	158,282
–	–	–	–	–	1,939	1,939
–	11,309	–	–	–	24,253	2,140,801
16,240	36,657	–	–	–	10,863	94,873
–	–	–	–	–	5,893	5,893
–	141	–	–	1,525	40,983	58,531
2,509	2,042	1,512	1,695	2,106	12,769	49,989
1,867	1,039	–	1,105	73	32,224	57,393
$ 28,103	$ 59,216	$ 1,512	$ 115,869	$ 21,525	$ 130,943	$ 3,321,493
$ –	$ –	$ –	$ –	$ –	$ 7,076	$ 90,345
372	–	–	–	–	13	281,196
11,494	54,644	–	–	197	10,900	92,237
11,568	272	–	7,890	6,748	19,051	135,978
–	132	7	–	–	13,485	36,730
75	150	–	–	–	16,411	65,104
86	352	–	3,347	–	9,445	17,913
$ 23,595	$ 55,550	$ 7	$ 11,237	$ 6,945	$ 76,381	$ 719,503
944	3,423	–	429	2,174	10,718	477,400
–	142	–	–	–	4,329	20,471
2,315	6,857	–	100,434	4,458	83,790	1,888,648
$ 26,854	$ 65,972	$ 7	$ 112,100	$ 13,577	$ 175,218	$ 3,106,022
$ 1,249	$ (6,756)	$ 1,505	$ 3,769	$ 7,948	$ (44,275)	$ 215,471
$ –	$ –	$ 5,625	$ –	$ –	$ 4,825	$ 10,450
–	–	–	–	–	9,920	9,920
–	–	–	–	–	–	23,569
1,000	11,853	–	2,450	730	41,590	629,852
–	(35)	(2,012)	–	–	(1,365)	(12,747)
(489)	(72)	–	–	–	(4,142)	(815,050)
–	–	–	162	–	–	920
$ 511	$ 11,746	$ 3,613	$ 2,612	$ 730	$ 50,828	$ (153,086)
$ 1,760	$ 4,990	$ 5,118	$ 6,381	$ 8,678	$ 6,553	$ 62,385
$ 39,292	$ 17,435	$ 34,838	$ (55,438)	$ 21,870	$ 151,309	$ 534,730
(5,589)	13,503	–	–	–	48,511	67,986
$ 33,703	$ 30,938	$ 34,838	$ (55,438)	$ 21,870	$ 199,820	$ 602,716
–	–	–	–	(45)	(502)	(877)
–	–	–	–	–	(3,925)	(2,872)
$ 35,463	$ 35,928	$ 39,956	$ (49,057)	$ 30,503	$ 201,946	$ 661,352

STATE OF MINNESOTA
APPROPRIATED SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
BUDGETARY BASIS
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	TRUNK HIGHWAY			HIGHWAY USER TAX DISTRIBUTION		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Net Revenues:						
Motor Vehicle License Taxes	$ –	$ –	$ –	$ 299,073	$ 295,994	$ (3,079)
Fuel Taxes	–	–	–	455,357	454,418	(939)
Other Taxes	–	–	–	–	–	–
Federal Revenues	238,400	199,143	(39,257)	–	–	–
License Fees	16,107	15,583	(524)	–	–	–
Departmental Services	–	–	–	–	–	–
Investment/Interest Income	21,000	24,517	3,517	–	–	–
Other Revenues	42,359	39,500	(2,859)	7,081	6,670	(411)
Net Revenues	$ 317,866	$ 278,743	$ (39,123)	$ 761,511	$ 757,082	$ (4,429)
Expenditures:						
Protection of Persons and Property	$ 63,155	$ 62,661	$ 494	$ 11,179	$ 10,908	$ 271
Transportation	750,593	702,020	48,573	793	747	46
Resource Management	–	–	–	–	–	–
Economic and Manpower Development	698	674	24	–	–	–
Education	33	33	–	–	–	–
Health and Social Services	1,543	1,468	75	–	–	–
General Government	1,264	1,057	207	2,331	1,669	662
Total Expenditures	$ 817,286	$ 767,913	$ 49,373	$ 14,303	$ 13,324	$ 979
Excess of Revenues Over (Under) Expenditures	$ (499,420)	$ (489,170)	$ 10,250	$ 747,208	$ 743,758	$ (3,450)
Other Financing Sources (Uses):						
Proceeds from Loans	$ 40,740	$ 22,342	$ (18,398)	$ –	$ –	$ –
Operating Transfers–In	492,983	489,662	(3,321)	59,798	61,081	1,283
Operating Transfers to Debt Service	(9,451)	(9,335)	116	–	–	–
Other Operating Transfers–Out	–	–	–	(807,196)	(807,196)	–
Net Other Financing Sources (Uses)	$ 524,272	$ 502,669	$ (21,603)	$ (747,398)	$ (746,115)	$ 1,283
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ 24,852	$ 13,499	$ (11,353)	$ (190)	$ (2,357)	$ (2,167)
Fund Balances, July 1, 1989, as Reported	64,968	64,968	–	2,080	2,080	–
Prior Year Adjustments	–	5,499	5,499	–	4,809	4,809
Total Fund Balances, June 30, 1990	$ 89,820	$ 83,966	$ (5,854)	$ 1,890	$ 4,532	$ 2,642
Less Appropriation Carryover	–	16,548	(16,548)	–	–	–
Undesignated Fund Balances, June 30, 1990	$ 89,820	$ 67,418	$ (22,402)	$ 1,890	$ 4,532	$ 2,642

OTHER TRANSPORTATION			ENVIRONMENTAL			NATURAL RESOURCES		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
2,350	2,615	265	–	–	–	–	–	–
9,136	9,902	766	8,378	7,450	(928)	7,733	7,942	209
–	–	–	–	–	–	9,500	10,508	1,008
–	12	12	–	16,240	16,240	38,255	36,915	(1,340)
–	–	–	–	–	–	193	131	(62)
1,400	2,193	793	1,676	2,516	840	1,065	2,041	976
795	867	72	900	2,019	1,119	573	1,135	562
$ 13,681	$ 15,589	$ 1,908	$ 10,954	$ 28,225	$ 17,271	$ 57,319	$ 58,672	$ 1,353
$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
38,727	35,660	3,067	869	866	3	–	–	–
–	–	–	20,717	16,087	4,630	66,420	63,161	3,259
–	–	–	12,139	11,636	503	1,565	1,529	36
–	–	–	–	–	–	3,306	3,060	246
–	–	–	167	107	60	394	291	103
–	–	–	86	85	1	684	622	62
$ 38,727	$ 35,660	$ 3,067	$ 33,978	$ 28,781	$ 5,197	$ 72,369	$ 68,663	$ 3,706
$ (25,046)	$ (20,071)	$ 4,975	$ (23,024)	$ (556)	$ 22,468	$ (15,050)	$ (9,991)	$ 5,059
$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
24,897	23,192	(1,705)	3,110	3,110	–	19,726	18,165	(1,561)
–	–	–	–	–	–	(35)	(35)	–
–	–	–	(3,034)	(3,034)	–	–	–	–
$ 24,897	$ 23,192	$ (1,705)	$ 76	$ 76	$ –	$ 19,691	$ 18,130	$ (1,561)
$ (149)	$ 3,121	$ 3,270	$ (22,948)	$ (480)	$ 22,468	$ 4,641	$ 8,139	$ 3,498
12,152	12,152	–	29,456	29,456	–	9,279	9,279	–
–	697	697	–	755	755	–	234	234
$ 12,003	$ 15,970	$ 3,967	$ 6,508	$ 29,731	$ 23,223	$ 13,920	$ 17,652	$ 3,732
–	1,305	(1,305)	–	–	–	–	358	(358)
$ 12,003	$ 14,665	$ 2,662	$ 6,508	$ 29,731	$ 23,223	$ 13,920	$ 17,294	$ 3,374

COMBINED TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ 299,073	$ 295,994	$ (3,079)
457,707	457,033	(674)
25,247	25,294	47
247,900	209,651	(38,249)
54,362	68,750	14,388
193	131	(62)
25,141	31,267	6,126
51,708	50,191	(1,517)
$ 1,161,331	$ 1,138,311	$ (23,020)
$ 74,334	$ 73,569	$ 765
790,982	739,293	51,689
87,137	79,248	7,889
14,402	13,839	563
3,339	3,093	246
2,104	1,866	238
4,365	3,433	932
$ 976,663	$ 914,341	$ 62,322
$ 184,668	$ 223,970	$ 39,302
$ 40,740	$ 22,342	$ (18,398)
600,514	595,210	(5,304)
(9,486)	(9,370)	116
(810,230)	(810,230)	–
$ (178,462)	$ (202,048)	$ (23,586)
$ 6,206	$ 21,922	$ 15,716
117,935	117,935	–
–	11,994	11,994
$ 124,141	$ 151,851	$ 27,710
–	18,211	(18,211)
$ 124,141	$ 133,640	$ 9,499

STATE OF MINNESOTA
OTHER TRANSPORTATION FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1990
(IN THOUSANDS)

	STATE AIRPORTS	TRANSIT ASSISTANCE	COMBINED TOTALS
ASSETS			
Cash and Cash Equivalents	$ 21,382	$ 5,474	$ 26,856
Accounts Receivable	558	–	558
Interfund Receivables	–	2,222	2,222
Loans Receivable	1,858	–	1,858
Total Assets	$ 23,798	$ 7,696	$ 31,494
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 1,525	$ 1,102	$ 2,627
Total Liabilities	$ 1,525	$ 1,102	$ 2,627
Fund Balances:			
Reserved Fund Balances:			
Reserved for Encumbrances	$ 10,794	$ 2,349	$ 13,143
Reserved for Long–Term Receivables	1,794	–	1,794
Total Reserved Fund Balances	$ 12,588	$ 2,349	$ 14,937
Unreserved Fund Balances:			
Designated for Appropriation Carryover	$ 739	$ 487	$ 1,226
Undesignated	8,946	3,758	12,704
Total Unreserved Fund Balances	$ 9,685	$ 4,245	$ 13,930
Total Fund Balances	$ 22,273	$ 6,594	$ 28,867
Total Liabilities and Fund Balances	$ 23,798	$ 7,696	$ 31,494

STATE OF MINNESOTA
OTHER TRANSPORTATION FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	STATE AIRPORTS	TRANSIT ASSISTANCE	COMBINED TOTALS
Net Revenues:			
Fuel Taxes	$ 2,566	$ –	$ 2,566
Air Carrier Taxes	9,713	–	9,713
Other Taxes	145	–	145
License Fees	3	13	16
Investment Income	1,703	491	2,194
Other Revenues	720	–	720
Net Revenues	$ 14,850	$ 504	$ 15,354
Expenditures:			
Current:			
Transportation	$ 4,513	$ 58	$ 4,571
Capital Outlay	402	–	402
Grants and Subsidies	5,821	23,671	29,492
Total Expenditures	$ 10,736	$ 23,729	$ 34,465
Excess of Revenues Over (Under) Expenditures	$ 4,114	$ (23,225)	$ (19,111)
Other Financing Sources:			
Operating Transfers–In	$ –	$ 23,192	$ 23,192
Total Other Financing Sources	$ –	$ 23,192	$ 23,192
Excess of Revenues and Other Sources Over (Under) Expenditures	$ 4,114	$ (33)	$ 4,081
Fund Balances, July 1, 1989	18,159	6,627	24,786
Fund Balances, June 30, 1990	$ 22,273	$ 6,594	$ 28,867

STATE OF MINNESOTA
OTHER TRANSPORTATION FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
BUDGETARY BASIS
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	STATE AIRPORTS			TRANSIT ASSISTANCE			COMBINED TOTALS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Net Revenues:									
Fuel Taxes	$ 2,350	$ 2,615	$ 265	$ –	$ –	$ –	$ 2,350	$ 2,615	$ 265
Air Carrier Taxes	9,136	9,902	766	–	–	–	9,136	9,902	766
License Fees	–	–	–	–	12	12	–	12	12
Investment Income	1,100	1,702	602	300	491	191	1,400	2,193	793
Other Revenues	795	867	72	–	–	–	795	867	72
Net Revenues	$ 13,381	$ 15,086	$ 1,705	$ 300	$ 503	$ 203	$ 13,681	$ 15,589	$ 1,908
Expenditures:									
Transportation	$ 14,827	$ 12,248	$ 2,579	$ 23,900	$ 23,412	$ 488	$ 38,727	$ 35,660	$ 3,067
Total Expenditures	$ 14,827	$ 12,248	$ 2,579	$ 23,900	$ 23,412	$ 488	$ 38,727	$ 35,660	$ 3,067
Excess of Revenues Over (Under) Expenditures	$ (1,446)	$ 2,838	$ 4,284	$ (23,600)	$ (22,909)	$ 691	$ (25,046)	$ (20,071)	$ 4,975
Other Financing Sources:									
Operating Transfers-in	$ –	$ –	$ –	$ 24,897	$ 23,192	$ (1,705)	$ 24,897	$ 23,192	$ (1,705)
Total Other Financing Sources	$ –	$ –	$ –	$ 24,897	$ 23,192	$ (1,705)	$ 24,897	$ 23,192	$ (1,705)
Excess of Revenues and Other Sources Over (Under) Expenditures	$ (1,446)	$ 2,838	$ 4,284	$ 1,297	$ 283	$ (1,014)	$ (149)	$ 3,121	$ 3,270
Fund Balances, July 1, 1989	8,756	8,756	–	3,396	3,396	–	12,152	12,152	–
Prior Year Adjustments	–	697	697	–	–	–	–	697	697
Fund Balances, June 30, 1990	$ 7,310	$ 12,291	$ 4,981	$ 4,693	$ 3,679	$ (1,014)	$ 12,003	$ 15,970	$ 3,967
Less Appropriation Carryover	–	739	(739)	–	566	(566)	–	1,305	(1,305)
Undesignated Fund Balances, June 30, 1990	$ 7,310	$ 11,552	$ 4,242	$ 4,693	$ 3,113	$ (1,580)	$ 12,003	$ 14,665	$ 2,662

STATE OF MINNESOTA
NATURAL RESOURCES FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1990
(IN THOUSANDS)

	MINNESOTA RESOURCES	NATURAL RESOURCES	GAME AND FISH	COMBINED TOTALS
ASSETS				
Cash and Cash Equivalents	$ 6,902	$ 11,439	$ 11,525	$ 29,866
Accounts Receivable	1,150	171	2,756	4,077
Interfund Receivables	–	4,681	–	4,681
Federal Aid Receivable	–	–	1,738	1,738
Total Assets	$ 8,052	$ 16,291	$ 16,019	$ 40,362
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 284	$ 953	$ 2,659	$ 3,896
Interfund Payables	–	–	538	538
Total Liabilities	$ 284	$ 953	$ 3,197	$ 4,434
Fund Balances:				
Reserved Fund Balances:				
Reserved for Encumbrances	$ 2,524	$ 2,642	$ 3,543	$ 8,709
Total Reserved Fund Balances	$ 2,524	$ 2,642	$ 3,543	$ 8,709
Unreserved Fund Balances:				
Designated for Appropriation Carryover	$ –	$ –	$ 374	$ 374
Undesignated	5,244	12,696	8,905	26,845
Total Unreserved Fund Balances	$ 5,244	$ 12,696	$ 9,279	$ 27,219
Total Fund Balances	$ 7,768	$ 15,338	$ 12,822	$ 35,928
Total Liabilities and Fund Balances	$ 8,052	$ 16,291	$ 16,019	$ 40,362

STATE OF MINNESOTA
NATURAL RESOURCES FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	MINNESOTA RESOURCES	NATURAL RESOURCES	GAME AND FISH	COMBINED TOTALS
Net Revenues:				
Tobacco Taxes	$ 8,028	$ –	$ –	$ 8,028
Federal Revenues	–	–	11,309	11,309
License Fees	–	3,794	32,863	36,657
Departmental Services	–	–	141	141
Investment Income	588	453	1,001	2,042
Other Revenues	28	323	688	1,039
Net Revenues	$ 8,644	$ 4,570	$ 46,002	$ 59,216
Expenditures:				
Current:				
Resource Management	$ 2,177	$ 11,212	$ 41,255	$ 54,644
Economic and Manpower Development	272	–	–	272
Education	132	–	–	132
Health and Social Services	150	–	–	150
General Government	352	–	–	352
Total Current Expenditures	$ 3,083	$ 11,212	$ 41,255	$ 55,550
Capital Outlay	643	858	1,922	3,423
Debt Service	–	–	142	142
Grants and Subsidies	3,407	2,456	994	6,857
Total Expenditures	$ 7,133	$ 14,526	$ 44,313	$ 65,972
Excess of Revenues Over (Under) Expenditures	$ 1,511	$ (9,956)	$ 1,689	$ (6,756)
Other Financing Sources (Uses):				
Operating Transfers–In	$ 36	$ 11,817	$ –	$ 11,853
Operating Transfers to Debt Service	–	–	(35)	(35)
Other Operating Transfers–Out	(72)	–	–	(72)
Net Other Financing Sources (Uses)	$ (36)	$ 11,817	$ (35)	$ 11,746
Excess of Revenues and Other Sources Over Expenditures and Other Uses	$ 1,475	$ 1,861	$ 1,654	$ 4,990
Fund Balances, July 1, 1989, as Reported	$ 6,293	$ –	$ 11,142	$ 17,435
Changes in Reporting Entity	–	13,477	26	13,503
Fund Balances, July 1, 1989, as Restated	$ 6,293	$ 13,477	$ 11,168	$ 30,938
Fund Balances, June 30, 1990	$ 7,768	$ 15,338	$ 12,822	$ 35,928

STATE OF MINNESOTA
NATURAL RESOURCES FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
BUDGETARY BASIS
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	MINNESOTA RESOURCES			NATURAL RESOURCES		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Net Revenues:						
Tobacco Taxes	$ 7,733	$ 7,942	$ 209	$ –	$ –	$ –
Federal Revenues	–	–	–	–	–	–
License Fees	–	–	–	4,074	3,701	(373)
Departmental Services	–	–	–	–	–	–
Investment Income	–	587	587	365	453	88
Other Revenues	103	99	(4)	222	321	99
Net Revenues	$ 7,836	$ 8,628	$ 792	$ 4,661	$ 4,475	$ (186)
Expenditures:						
Resource Management	$ 5,391	$ 3,563	$ 1,828	$ 16,073	$ 14,947	$ 1,126
Economic and Manpower Development	1,565	1,529	36	–	–	–
Education	3,306	3,060	246	–	–	–
Health and Social Services	394	291	103	–	–	–
General Government	658	622	36	–	–	–
Total Expenditures	$ 11,314	$ 9,065	$ 2,249	$ 16,073	$ 14,947	$ 1,126
Excess of Revenues Over (Under) Expenditures	$ (3,478)	$ (437)	$ 3,041	$ (11,412)	$ (10,472)	$ 940
Other Financing Sources (Uses):						
Operating Transfers-In	$ 36	$ 36	$ –	$ 19,690	$ 18,129	$ (1,561)
Operating Transfers to Debt Service	–	–	–	–	–	–
Net Other Financing Sources (Uses)	$ 36	$ 36	$ –	$ 19,690	$ 18,129	$ (1,561)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (3,442)	$ (401)	$ 3,041	$ 8,278	$ 7,657	$ (621)
Fund Balances, July 1, 1989, as Reported	5,605	5,605	–	–	–	–
Prior Year Adjustments	–	28	28	–	–	–
Fund Balances, June 30, 1990	$ 2,163	$ 5,232	$ 3,069	$ 8,278	$ 7,657	$ (621)
Less Appropriation Carryover	–	–	–	–	–	–
Undesignated Fund Balances, June 30, 1990	$ 2,163	$ 5,232	$ 3,069	$ 8,278	$ 7,657	$ (621)

GAME AND FISH			COMBINED TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ –	$ –	$ –	$ 7,733	$ 7,942	$ 209
9,500	10,508	1,008	9,500	10,508	1,008
34,181	33,214	(967)	38,255	36,915	(1,340)
193	131	(62)	193	131	(62)
700	1,001	301	1,065	2,041	976
248	715	467	573	1,135	562
$ 44,822	$ 45,569	$ 747	$ 57,319	$ 58,672	$ 1,353
$ 44,956	$ 44,651	$ 305	$ 66,420	$ 63,161	$ 3,259
–	–	–	1,565	1,529	36
–	–	–	3,306	3,060	246
–	–	–	394	291	103
26	–	26	684	622	62
$ 44,982	$ 44,651	$ 331	$ 72,369	$ 68,663	$ 3,706
$ (160)	$ 918	$ 1,078	$ (15,050)	$ (9,991)	$ 5,059
$ –	$ –	$ –	$ 19,726	$ 18,165	$ (1,561)
(35)	(35)	–	(35)	(35)	–
$ (35)	$ (35)	$ –	$ 19,691	$ 18,130	$ (1,561)
$ (195)	$ 883	$ 1,078	$ 4,641	$ 8,139	$ 3,498
3,674	3,674	–	9,279	9,279	–
–	206	206	–	234	234
$ 3,479	$ 4,763	$ 1,284	$ 13,920	$ 17,652	$ 3,732
–	358	(358)	–	358	(358)
$ 3,479	$ 4,405	$ 926	$ 13,920	$ 17,294	$ 3,374

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CAPITAL PROJECTS FUNDS

These funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and fiduciary funds). Descriptions of individual funds in this fund type follow.

The *General Project Fund* receives monies appropriated from the General Fund for maintenance, building, or capital improvement projects.

The *Reinvest in Minnesota Fund* receives general obligation bond proceeds and donations for the acquisition and betterment of public land and conservation easements.

The *Transportation Fund* receives proceeds of transportation bonds, General Fund appropriations and federal grants for the construction or reconstruction of state and locally owned bridges.

The *Building Fund* receives revenue from the sale of state bonds to provide funds for the maintenance, acquisition and betterment of public lands and buildings and for grants and loans to local governments.

STATE OF MINNESOTA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1990
(IN THOUSANDS)

	GENERAL PROJECT	REINVEST IN MINNESOTA	TRANSPORTATION	BUILDING	COMBINED TOTALS
ASSETS					
Cash and Cash Equivalents	$ 8,465	$ 7,191	$ 6,896	$ 10,204	$ 32,756
Investments	–	–	–	57,017	57,017
Accounts Receivable	–	–	–	4	4
Interfund Receivables	–	–	–	3,190	3,190
Accrued Investment/Interest Income	–	–	–	1,586	1,586
Loans Receivable	109	–	–	18,541	18,650
Total Assets	$ 8,574	$ 7,191	$ 6,896	$ 90,542	$ 113,203
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 2,093	$ 309	$ 256	$ 39,626	$ 42,284
Interfund Payables	–	–	–	9,191	9,191
Deferred Revenue	–	–	–	1,000	1,000
Total Liabilities	$ 2,093	$ 309	$ 256	$ 49,817	$ 52,475
Fund Balances:					
Reserved Fund Balances:					
Reserved for Long-Term Receivables	$ 109	$ –	$ –	$ 18,404	$ 18,513
Reserved for Long-Term Commitments	2,816	6,752	3,502	22,321	35,391
Total Reserved Fund Balances	$ 2,925	$ 6,752	$ 3,502	$ 40,725	$ 53,904
Unreserved Fund Balances:					
Designated for Appropriation Carryover	$ –	$ –	$ 3,138	$ –	$ 3,138
Undesignated	3,556	130	–	–	3,686
Total Unreserved Fund Balances	$ 3,556	$ 130	$ 3,138	$ –	$ 6,824
Total Fund Balances	$ 6,481	$ 6,882	$ 6,640	$ 40,725	$ 60,728
Total Liabilities and Fund Balances	$ 8,574	$ 7,191	$ 6,896	$ 90,542	$ 113,203

STATE OF MINNESOTA
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	GENERAL PROJECT	REINVEST IN MINNESOTA	TRANSPORTATION	BUILDING	COMBINED TOTALS
Net Revenues:					
Investment/Interest Income	$ 5	$ 101	$ –	$ 12,542	$ 12,648
Other Revenues	–	111	–	2,459	2,570
Net Revenues	$ 5	$ 212	$ –	$ 15,001	$ 15,218
Expenditures:					
Current:					
Protection of Persons and Property	$ 63	$ –	$ –	$ 270	$ 333
Transportation	–	–	22	16	38
Resource Management	71	4,721	–	2,852	7,644
Economic and Manpower Development	–	515	–	1,183	1,698
Education	3,816	–	–	14,162	17,978
Health and Social Services	928	–	–	4,430	5,358
General Government	294	–	–	2,629	2,923
Total Current Expenditures	$ 5,172	$ 5,236	$ 22	$ 25,542	$ 35,972
Capital Outlay	269	788	408	49,339	50,804
Grants and Subsidies	4,150	5	5,743	104,697	114,595
Total Expenditures	$ 9,591	$ 6,029	$ 6,173	$ 179,578	$ 201,371
Excess of Revenues Over (Under) Expenditures	$ (9,586)	$ (5,817)	$ (6,173)	$ (164,577)	$ (186,153)
Other Financing Sources (Uses):					
General Obligation Bonds	$ –	$ 500	$ 2,000	$ 212,050	$ 214,550
Operating Transfers–In	3,866	–	–	3,190	7,056
Operating Transfers to Debt Service	–	–	–	(14,573)	(14,573)
Other Operating Transfers–Out	(17)	–	–	–	(17)
Net Other Financing Sources (Uses)	$ 3,849	$ 500	$ 2,000	$ 200,667	$ 207,016
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (5,737)	$ (5,317)	$ (4,173)	$ 36,090	$ 20,863
Fund Balances, July 1, 1989, as Reported	$ 20,664	$ –	$ 10,813	$ 8,196	$ 39,673
Changes in Reporting Entity	(8,446)	12,199	–	–	3,753
Fund Balances, July 1, 1989, as Restated	$ 12,218	$ 12,199	$ 10,813	$ 8,196	$ 43,426
Residual Equity Transfers–Out	–	–	–	(3,561)	(3,561)
Fund Balances, June 30, 1990	$ 6,481	$ 6,882	$ 6,640	$ 40,725	$ 60,728

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ENTERPRISE FUNDS

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises and where the costs of providing goods or services to the general public are recovered primarily through user charges; or where the state has decided that determination of net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Individual enterprise funds are described below.

The *Housing Finance Agency Loan Fund* provides money for loans and technical assistance for construction and rehabilitation of housing for families of low and moderate incomes.

The *Higher Education Facilities Authority Fund* assists private nonprofit, nonsectarian post secondary educational institutions in financing construction of education facilities.

The *State University Board Revenue Fund* constructs, maintains and operates college buildings for residence hall, student union or food service purposes.

The *Higher Education Coordinating Board Student Loan Fund* makes loans to qualified post secondary students.

The *Public Facilities Authority Fund* provides financial assistance to municipalities, primarily for wastewater treatment construction projects.

The *State Lottery Fund* accounts for the operations of the state lottery. The net proceeds are transferred to the Environment and Natural Resources Trust Fund (40%), the Greater Minnesota Corporation (25%) with the remainder transferred and used for debt service on general obligation bonds.

The *College and University Enterprise Activities Fund* includes the auxiliary enterprises and student loan programs operated by the state universities and community colleges.

The *Minnesota Correctional Industries Fund* facilitates prisoner rehabilitation by providing facilities and assistance for manufacturing and marketing goods to the general public.

The *Chemical Dependency Treatment Fund* accounts for the activity of state regional treatment centers for chemical dependency treatment services.

The *Enterprise Activities Fund* includes various minor activities providing services to the general public or local governmental units.

STATE OF MINNESOTA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1990
(IN THOUSANDS)

	HOUSING FINANCE AGENCY LOAN	HIGHER EDUCATION FACILITIES AUTHORITY	STATE UNIVERSITY BOARD REVENUE	HIGHER EDUCATION COORDINATING BOARD STUDENT LOAN
ASSETS				
Cash and Cash Equivalents	$ 293,135	$ 1,040	$ 8,624	$ 24,018
Investments	241,919	–	21,613	35,698
Accounts Receivable	1,315	–	1,122	–
Accrued Investment/Interest Income	26,250	–	984	3,337
Inventories	3,672	–	–	–
Deferred Costs	27,910	–	480	209
Restricted Assets:				
Cash and Cash Equivalents	59,598	12,128	–	20,004
Investments	182,708	12,829	18,120	–
Loans/Financing Leases Receivable	–	91,534	–	–
Other Restricted Assets	–	515	–	–
Loans Receivable	1,529,759	–	–	150,742
Fixed Assets (Net)	896	38	41,527	45
Other Assets	–	33	–	131
Total Assets	$ 2,367,162	$ 118,117	$ 92,470	$ 234,184
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable	$ 2,311	$ 33	$ –	$ 665
Interfund Payables	–	–	–	15
Payable to Other Governmental Units	–	–	–	–
Deferred Revenue	1,470	72	1,036	–
Payable from Restricted Assets:				
Accounts Payable	–	–	2,925	–
Revenue Bonds Payable	73,865	112,487	360	–
Revenue Bonds Interest Payable	81,089	2,008	–	333
General Obligation Bonds Payable	–	–	4,315	–
General Obligation Bonds Interest Payable	–	–	154	–
Other Payable from Restricted Assets	–	176	–	–
Revenue Bonds Payable	1,695,545	–	19,480	57,510
General Obligation Bonds Payable	–	–	4,425	–
Compensated Absences Payable	351	–	637	97
Advances from Other Funds	–	–	–	–
Arbitrage Payable	–	–	190	–
Funds Held in Trust	146,549	–	–	–
Other Liabilities	–	–	–	–
Total Liabilities	$ 2,001,180	$ 114,776	$ 33,522	$ 58,620
Fund Equity:				
Contributed Capital	$ –	$ –	$ 4,733	$ –
Reserved Retained Earnings:				
Reserved for Debt Requirements	$ 324,134	$ 2,335	$ 9,539	$ –
Reserved per Law	41,848	–	–	–
Total Reserved Retained Earnings	$ 365,982	$ 2,335	$ 9,539	$ –
Unreserved Retained Earnings	–	1,006	44,676	175,564
Total Retained Earnings	$ 365,982	$ 3,341	$ 54,215	$ 175,564
Total Fund Equity	$ 365,982	$ 3,341	$ 58,948	$ 175,564
Total Liabilities and Fund Equity	$ 2,367,162	$ 118,117	$ 92,470	$ 234,184

PUBLIC FACILITIES AUTHORITY	STATE LOTTERY	COLLEGE AND UNIVERSITY ENTERPRISE ACTIVITIES	MINNESOTA CORRECTIONAL INDUSTRIES	CHEMICAL DEPENDENCY TREATMENT	ENTERPRISE ACTIVITIES	COMBINED TOTALS
$ –	$ 1,940	$ 8,943	$ 1,504	$ 1,216	$ 1,198	$ 341,618
–	2,406	1,264	–	–	–	302,900
–	1,102	1,534	2,550	1,727	234	9,584
–	70	99	–	–	–	30,740
–	663	2,866	4,495	–	360	12,056
–	116	68	–	–	4	28,787
8,367	–	–	–	–	–	100,097
70,462	–	–	–	–	–	284,119
45,614	–	–	–	–	–	137,148
8,283	–	–	–	–	–	8,798
–	–	29,942	–	–	–	1,710,443
–	1,891	580	1,650	–	607	47,234
–	–	–	–	–	–	164
$ 132,726	$ 8,188	$ 45,296	$ 10,199	$ 2,943	$ 2,403	$ 3,013,688
$ –	$ 4,507	$ 682	$ 500	$ 1,496	$ 669	$ 10,863
–	3,480	–	–	2,869	–	6,364
–	–	19	–	–	–	19
–	–	–	–	–	110	2,688
49	–	–	–	–	–	2,974
111,375	–	–	–	–	–	298,087
1,254	–	–	–	–	–	84,684
–	–	–	–	–	–	4,315
–	–	–	–	–	–	154
60	–	–	–	–	–	236
–	–	–	–	–	–	1,772,535
–	–	–	–	–	–	4,425
–	201	138	394	660	86	2,564
–	–	–	–	–	67	67
–	–	–	–	–	–	190
–	–	–	–	–	–	146,549
–	–	–	29	–	–	29
$ 112,738	$ 8,188	$ 839	$ 923	$ 5,025	$ 932	$ 2,336,743
$ 20,984	$ –	$ –	$ 4,715	$ –	$ 1,005	$ 31,437
$ –	$ –	$ –	$ –	$ –	$ –	$ 336,008
–	–	27,756	–	–	–	69,604
$ –	$ –	$ 27,756	$ –	$ –	$ –	$ 405,612
(996)	–	16,701	4,561	(2,082)	466	239,896
$ (996)	$ –	$ 44,457	$ 4,561	$ (2,082)	$ 466	$ 645,508
$ 19,988	$ –	$ 44,457	$ 9,276	$ (2,082)	$ 1,471	$ 676,945
$ 132,726	$ 8,188	$ 45,296	$ 10,199	$ 2,943	$ 2,403	$ 3,013,688

STATE OF MINNESOTA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	HOUSING FINANCE AGENCY LOAN	HIGHER EDUCATION FACILITIES AUTHORITY	STATE UNIVERSITY BOARD REVENUE	HIGHER EDUCATION COODINATING BOARD STUDENT LOAN
Operating Revenues:				
Net Sales	$ –	$ –	$ –	$ –
Interest Income	129,050	–	–	12,317
Investment Income	46,534	–	–	–
Rental and Service Fees	2,945	6,159	35,455	–
Other Income	–	–	–	–
Total Operating Revenues	$ 178,529	$ 6,159	$ 35,455	$ 12,317
Less Cost of Goods Sold	–	–	–	–
Gross Margin	$ 178,529	$ 6,159	$ 35,455	$ 12,317
Operating Expenses:				
Interest and Financing Costs	$ 138,088	$ 8,242	$ 1,828	$ 3,629
Purchased Services	7,952	75	15,152	2,415
Salaries and Fringe Benefits	4,585	134	10,339	493
Depreciation	404	8	2,900	19
Amortization	3,139	161	17	125
Supplies and Materials	157	–	2,119	–
Indirect Costs	52	–	–	89
Other Expenses	3,284	38	–	1,567
Total Operating Expenses	$ 157,661	$ 8,658	$ 32,355	$ 8,337
Operating Income (Loss)	$ 20,868	$ (2,499)	$ 3,100	$ 3,980
Nonoperating Revenues (Expenses):				
Investment Income	$ –	$ 2,911	$ 3,746	$ 7,032
Federal Grants and Subsidies	61,973	–	215	1,758
Other Nonoperating Revenues	784	–	–	194
Grants, Aids and Subsidies	(68,440)	–	–	–
Other Nonoperating Expenses	–	(183)	–	–
Loss on Sale of Fixed Assets	–	–	(8)	–
Total Nonoperating Revenues (Expenses)	$ (5,683)	$ 2,728	$ 3,953	$ 8,984
Income (Loss) Before Operating Transfers	$ 15,185	$ 229	$ 7,053	$ 12,964
Operating Transfers–In	15,158	–	–	–
Operating Transfers–Out	–	–	–	–
Net Income (Loss) before Extraordinary Item	$ 30,343	$ 229	$ 7,053	$ 12,964
Extraordinary Loss on Bond Defeasance	(602)	–	–	–
Net Income (Loss)	$ 29,741	$ 229	$ 7,053	$ 12,964
Depreciation on Fixed Assets Acquired with Contributed Capital	–	–	352	–
Increase (Decrease) in Retained Earnings	$ 29,741	$ 229	$ 7,405	$ 12,964
Retained Earnings, July 1, 1989, as Reported	$ 336,241	$ 3,112	$ 46,810	$ 163,391
Changes in Reporting Entity	–	–	–	–
Retained Earnings, July 1, 1989, as Restated	$ 336,241	$ 3,112	$ 46,810	$ 163,391
Residual Equity Transfers–Out	–	–	–	(791)
Retained Earnings, June 30, 1990	$ 365,982	$ 3,341	$ 54,215	$ 175,564

PUBLIC FACILITIES AUTHORITY	STATE LOTTERY	COLLEGE AND UNIVERSITY ENTERPRISE ACTIVITIES	MINNESOTA CORRECTIONAL INDUSTRIES	CHEMICAL DEPENDENCY TREATMENT	ENTERPRISE ACTIVITIES	COMBINED TOTALS
$ –	$ 67,826	$ 19,593	$ 10,978	$ –	$ 2,246	$ 100,643
1,097	–	757	–	–	–	143,221
8,331	–	–	–	–	–	54,865
–	–	208	27	11,881	337	57,012
–	478	1,132	22	–	37	1,669
$ 9,428	$ 68,304	$ 21,690	$ 11,027	$ 11,881	$ 2,620	$ 357,410
–	42,786	14,163	11,009	–	802	68,760
$ 9,428	$ 25,518	$ 7,527	$ 18	$ 11,881	$ 1,818	$ 288,650
$ 8,618	$ –	$ –	$ –	$ –	$ –	$ 160,405
66	9,448	813	389	299	482	37,091
421	2,454	2,815	2,005	11,999	1,049	36,294
–	94	73	233	–	103	3,834
29	–	–	–	–	5	3,476
1	3,964	968	81	1,156	88	8,534
95	–	–	124	290	90	740
–	502	1,993	–	386	–	7,770
$ 9,230	$ 16,462	$ 6,662	$ 2,832	$ 14,130	$ 1,817	$ 258,144
$ 198	$ 9,056	$ 865	$ (2,814)	$ (2,249)	$ 1	$ 30,506
$ –	$ 244	$ 716	$ 87	$ 255	$ –	$ 14,991
–	–	183	–	–	–	64,129
–	–	–	–	–	–	978
–	–	(431)	–	–	–	(68,871)
–	(185)	(351)	–	–	–	(719)
–	–	(7)	(34)	–	–	(49)
$ –	$ 59	$ 110	$ 53	$ 255	$ –	$ 10,459
$ 198	$ 9,115	$ 975	$ (2,761)	$ (1,994)	$ 1	$ 40,965
–	–	–	3,128	546	–	18,832
–	(9,115)	–	–	–	–	(9,115)
$ 198	$ –	$ 975	$ 367	$ (1,448)	$ 1	$ 50,682
–	–	–	–	–	–	(602)
$ 198	$ –	$ 975	$ 367	$ (1,448)	$ 1	$ 50,080
–	–	–	–	–	18	370
$ 198	$ –	$ 975	$ 367	$ (1,448)	$ 19	$ 50,450
$ –	$ –	$ 44,593	$ 4,194	$ (634)	$ 197	$ 597,904
(1,194)	–	(1,111)	–	–	250	(2,055)
$ (1,194)	$ –	$ 43,482	$ 4,194	$ (634)	$ 447	$ 595,849
–	–	–	–	–	–	(791)
$ (996)	$ –	$ 44,457	$ 4,561	$ (2,082)	$ 466	$ 645,508

STATE OF MINNESOTA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	HOUSING FINANCE AGENCY LOAN	HIGHER EDUCATION FACILITIES AUTHORITY	STATE UNIVERSITY BOARD REVENUE	HIGHER EDUCATION COORDINATING BOARD STUDENT LOAN
Cash Flows from Operating Activities:				
Operating Income (Loss)	$ 20,868	$ (2,499)	$ 3,100	$ 3,980
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:				
Depreciation	$ 404	$ 8	$ 2,900	$ 19
Amortization	3,139	161	17	125
Investment Income	(46,534)	–	–	–
Interest and Financing Costs	138,088	8,242	1,828	3,629
Loan Principal Repayments	95,660	5,814	–	27,502
Loans Issued	(157,893)	(13,591)	–	(34,278)
Provision for Loan Defaults	3,284	–	–	36
Customer Deposits	44,560	–	–	–
Return of Customer Deposits	(35,988)	–	–	–
Change in Assets and Liabilities:				
Accounts Receivable	–	–	(130)	–
Inventories	5,536	–	–	–
Other Assets	(215)	(30)	4	213
Accounts Payable	–	1	593	292
Deferred Revenues	(717)	(37)	(61)	–
Other Liabilities	46	–	212	20
Net Reconciling Items to be Added (Deducted) from Operating Income	$ 49,370	$ 568	$ 5,363	$ (2,442)
Net Cash Flows from Operating Activities	$ 70,238	$ (1,931)	$ 8,463	$ 1,538
Cash Flows from Noncapital Financing Activities:				
Grant Receipts	$ 101	$ –	$ 215	$ 1,758
Grant Disbursements	(2,852)	–	–	–
Transfers–In	15,158	–	–	–
Transfers–Out	–	–	–	(35)
Capital Contributions	–	–	–	–
Advances from Other Funds	–	–	–	–
Repayments of Advances from Other Funds	–	–	–	–
Proceeds from Bond Sales	160,142	–	–	–
Repayment of Bond Principal	(87,114)	–	–	(2,300)
Bond Issuance Costs	(2,443)	–	–	–
Interest Paid	(132,605)	–	–	(3,607)
Net Cash Flows from Noncapital Financing Activities	$ (49,613)	$ –	$ 215	$ (4,184)
Cash Flows from Capital and Related Financing Activities:				
Investment in Fixed Assets	$ (321)	$ (8)	$ (1,886)	$ (26)
Proceeds from the Sale of Fixed Assets	–	–	–	–
Collection of Financing Leases Receivable	–	2,210	–	–
Proceeds from Bond Sales	–	5,544	–	–
Repayment of Bond Principal	–	(7,730)	(3,215)	–
Bond Issuance Costs	–	(40)	–	–
Interest Paid	–	(8,372)	(2,139)	–
Capital Lease Payments	–	–	–	–
Net Cash Flows from Capital and Related Financing Activities	$ (321)	$ (8,396)	$ (7,240)	$ (26)
Cash Flows from Investing Activities:				
Proceeds from Sales and Maturities of Investments	$ 410,313	$ 12,205	$ 108,735	$ 69,371
Purchase of Investments	(371,999)	(9,630)	(113,531)	(66,323)
Investment Earnings	45,425	2,659	3,372	6,820
Net Cash Flows from Investing Activities	$ 83,739	$ 5,234	$ (1,424)	$ 9,868
Net Increase (Decrease) in Cash and Cash Equivalents	$ 104,043	$ (5,093)	$ 14	$ 7,196
Cash and Investments, July 1, 1989, as Reported	$ 711,407	$ 33,665	$ 43,546	$ 75,573
Change in Accounting Principle	(462,717)	(15,404)	(34,936)	(38,747)
Changes in Reporting Entity	–	–	–	–
Cash and Cash Equivalents, July 1, 1989	$ 248,690	$ 18,261	$ 8,610	$ 36,826
Cash and Cash Equivalents, June 30, 1990	$ 352,733	$ 13,168	$ 8,624	$ 44,022
Schedule of Noncash Transactions:				
Residual Equity Transfer of Loans Receivable	$ –	$ –	$ –	$ 756

PUBLIC FACILITIES AUTHORITY	STATE LOTTERY	COLLEGE AND UNIVERSITY ENTERPRISE ACTIVITIES	MINNESOTA CORRECTIONAL INDUSTRIES	CHEMICAL DEPENDENCY TREATMENT	ENTERPRISE ACTIVITIES	COMBINED TOTALS
$ 198	$ 9,056	$ 865	$ (2,814)	$ (2,249)	$ 1	$ 30,506
$ –	$ 94	$ 73	$ 233	$ –	$ 103	$ 3,834
29	–	–	–	–	5	3,476
(8,331)	–	–	–	–	–	(54,865)
8,618	–	–	–	–	–	160,405
181	–	6,733	–	–	–	135,890
(45,795)	–	(6,939)	–	–	–	(258,496)
–	–	–	–	–	–	3,320
–	–	–	–	–	–	44,560
–	–	–	–	–	–	(35,988)
–	(1,102)	43	28	291	39	(831)
–	(663)	(78)	(341)	–	(22)	4,432
(638)	(116)	142	–	–	2	(638)
49	4,507	186	142	593	111	6,474
–	–	(10)	–	–	18	(807)
60	201	27	49	29	3	647
$ (45,827)	$ 2,921	$ 177	$ 111	$ 913	$ 259	$ 11,413
$ (45,629)	$ 11,977	$ 1,042	$ (2,703)	$ (1,336)	$ 260	$ 41,919
$ –	$ –	$ 183	$ –	$ –	$ –	$ 2,257
–	–	(505)	–	–	–	(3,357)
–	–	–	3,128	546	–	18,832
–	(5,635)	(277)	–	–	–	(5,947)
14,482	–	–	43	–	–	14,525
–	8,131	–	–	–	–	8,131
–	(8,131)	–	–	–	(26)	(8,157)
46,881	–	–	–	–	–	207,023
(12,390)	–	–	–	–	–	(101,804)
(540)	–	–	–	–	–	(2,983)
(7,505)	(185)	–	–	–	–	(143,902)
$ 40,928	$ (5,820)	$ (599)	$ 3,171	$ 546	$ (26)	$ (15,382)
$ –	$ (1,984)	$ (86)	$ (134)	$ –	$ (205)	$ (4,650)
–	–	1	24	–	16	41
–	–	–	–	–	–	2,210
–	–	–	–	–	–	5,544
–	–	–	–	–	–	(10,945)
–	–	–	–	–	–	(40)
–	–	–	–	–	–	(10,511)
–	–	–	–	–	(3)	(3)
$ –	$ (1,984)	$ (85)	$ (110)	$ –	$ (192)	$ (18,354)
$ 60,328	$ –	$ –	$ –	$ –	$ –	$ 660,952
(55,554)	(2,406)	(739)	–	–	–	(620,182)
8,263	173	761	87	255	–	67,815
$ 13,037	$ (2,233)	$ 22	$ 87	$ 255	$ –	$ 108,585
$ 8,336	$ 1,940	$ 380	$ 445	$ (535)	$ 42	$ 116,768
$ –	$ –	$ 9,702	$ 1,059	$ 1,751	$ 1,102	$ 877,805
–	–	(1,139)	–	–	–	(552,943)
31	–	–	–	–	54	85
$ 31	$ –	$ 8,563	$ 1,059	$ 1,751	$ 1,156	$ 324,947
$ 8,367	$ 1,940	$ 8,943	$ 1,504	$ 1,216	$ 1,198	$ 441,715
$ –	$ –	$ –	$ –	$ –	$ –	$ 756

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INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods and services provided by one state agency to other state agencies on a cost-reimbursement basis. Descriptions of individual funds in this category are presented below.

The *Computer Services Fund* accounts for the operation of statewide computer systems.

The *Central Stores Fund* accounts for the operation of centralized supplies purchasing, storage and distribution.

The *State Printer Fund* accounts for the operation of print shops.

The *Central Motor Pool Fund* accounts for the operation of a fleet of passenger vehicles and the state vehicle maintenance garage.

The *Telecommunications Fund* accounts for the operation of a centralized telephone system for most state agencies throughout the state.

The *Plant Management Fund* accounts for the cost of maintenance and operation of state owned buildings and grounds in the capitol complex.

The *Master Lease Fund* accounts for debt issued to finance major purchases of equipment by other funds.

The *Employee Insurance Fund* accounts for employee health and life insurance premiums and makes payments based on insurance benefits provided to employees.

The *Risk Management Fund* accounts for the providing of liability insurance, primarily automobile, to state agencies.

The *Central Services Fund* accounts for miscellaneous centralized support services provided to state agencies.

STATE OF MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1990
(IN THOUSANDS)

	COMPUTER SERVICES	CENTRAL STORES	STATE PRINTER	CENTRAL MOTOR POOL
ASSETS				
Cash and Cash Equivalents	$ 6,503	$ 222	$ 935	$ 352
Investments	–	–	–	–
Accounts Receivable	5,680	351	901	778
Accrued Investment/Interest Income	–	–	–	–
Inventories	–	523	210	24
Deferred Costs	113	–	6	57
Financing Leases Receivable	–	–	–	–
Fixed Assets (Net)	21,550	58	585	7,862
Total Assets	$ 33,846	$ 1,154	$ 2,637	$ 9,073
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable	$ 2,014	$ 167	$ 342	$ 224
Accrued Interest Payable	59	–	3	43
Deferred Revenue	–	–	–	–
Loans Payable	8,830	–	–	3,990
Installment Purchases Payable	7,350	–	94	–
Revenue Bonds Payable	3,976	–	255	2,668
Compensated Absences Payable	954	31	123	28
Advances from Other Funds	–	–	49	1,330
Total Liabilities	$ 23,183	$ 198	$ 866	$ 8,283
Fund Equity:				
Contributed Capital	$ 2,356	$ 691	$ 1,432	$ 502
Retained Earnings:				
Reserved for Claims	$ –	$ –	$ –	$ –
Unreserved	8,307	265	339	288
Total Retained Earnings	$ 8,307	$ 265	$ 339	$ 288
Total Fund Equity	$ 10,663	$ 956	$ 1,771	$ 790
Total Liabilities and Fund Equity	$ 33,846	$ 1,154	$ 2,637	$ 9,073

TELECOM-MUNICATIONS	PLANT MANAGEMENT	MASTER LEASE	EMPLOYEE INSURANCE	RISK MANAGEMENT	CENTRAL SERVICES	COMBINED TOTALS
$ 1,459	$ 993	$ 598	$ 39,521	$ 2,196	$ 243	$ 53,022
–	–	1,550	–	–	–	1,550
2,225	923	–	1,914	48	568	13,388
–	–	14	–	–	–	14
–	167	–	–	–	30	954
2	8	–	–	122	–	308
163	–	–	–	–	–	163
29	1,513	–	158	10	553	32,318
$ 3,878	$ 3,604	$ 2,162	$ 41,593	$ 2,376	$ 1,394	$ 101,717
$ 1,376	$ 465	$ 58	$ 16,209	$ 1,140	$ 253	$ 22,248
1	2	13	–	–	2	123
–	74	–	–	127	–	201
–	28	–	–	–	63	12,911
–	–	–	–	–	113	7,557
203	310	1,774	–	–	4	9,190
29	451	–	40	4	120	1,780
886	–	–	–	–	94	2,359
$ 2,495	$ 1,330	$ 1,845	$ 16,249	$ 1,271	$ 649	$ 56,369
$ 1,592	$ 656	$ –	$ –	$ –	$ 412	$ 7,641
$ –	$ –	$ –	$ 25,344	$ –	$ –	$ 25,344
(209)	1,618	317	–	1,105	333	12,363
$ (209)	$ 1,618	$ 317	$ 25,344	$ 1,105	$ 333	$ 37,707
$ 1,383	$ 2,274	$ 317	$ 25,344	$ 1,105	$ 745	$ 45,348
$ 3,878	$ 3,604	$ 2,162	$ 41,593	$ 2,376	$ 1,394	$ 101,717

STATE OF MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	COMPUTER SERVICES	CENTRAL STORES	STATE PRINTER	CENTRAL MOTOR POOL
Operating Revenues:				
Net Sales	$ -	$ 4,914	$ 6,083	$ -
Rental and Service Fees	30,470	-	16	3,858
Insurance Premiums	-	-	-	-
Other Income	43	-	-	70
Total Operating Revenues	$ 30,513	$ 4,914	$ 6,099	$ 3,928
Less Cost of Goods Sold	-	3,948	5,054	-
Gross Margin	$ 30,513	$ 966	$ 1,045	$ 3,928
Operating Expenses:				
Interest and Financing Costs	$ 1,095	$ -	$ 25	$ 303
Purchased Services	9,447	299	186	525
Salaries and Fringe Benefits	9,678	472	485	488
Claims	-	-	-	-
Depreciation	6,901	3	32	1,647
Amortization	178	4	3	55
Supplies and Materials	660	12	30	1,044
Indirect Costs	530	125	160	144
Other Expenses	63	-	-	7
Total Operating Expenses	$ 28,552	$ 915	$ 921	$ 4,213
Operating Income (Loss)	$ 1,961	$ 51	$ 124	$ (285)
Nonoperating Revenues (Expenses):				
Investment Income	$ 534	$ -	$ 22	$ 341
Other Nonoperating Revenues	-	-	-	-
Gains (Losses) on Sale of Fixed Assets	134	-	15	48
Net Nonoperating Revenues (Expenses)	$ 668	$ -	$ 37	$ 389
Income (Loss) Before Operating Transfers	$ 2,629	$ 51	$ 161	$ 104
Operating Transfers–In	-	-	-	-
Operating Transfers–Out	-	-	-	-
Net Income (Loss)	$ 2,629	$ 51	$ 161	$ 104
Depreciation on Fixed Assets Acquired with Contributed Capital	-	-	-	-
Increase (Decrease) in Retained Earnings	$ 2,629	$ 51	$ 161	$ 104
Retained Earnings, July 1, 1989, as Reported	$ 5,678	$ 214	$ 178	$ 184
Changes in Reporting Entity	-	-	-	-
Retained Earnings, July 1, 1989, as Restated	$ 5,678	$ 214	$ 178	$ 184
Retained Earnings, June 30, 1990	$ 8,307	$ 265	$ 339	$ 288

TELECOM-MUNICATIONS	PLANT MANGEMENT	MASTER LEASE	EMPLOYEE INSURANCE	RISK MANAGEMENT	CENTRAL SERVICES	COMBINED TOTALS
$ 8,597	$ 601	$ –	$ –	$ –	$ 1,472	$ 21,667
19	13,398	–	–	–	1,549	49,310
–	–	–	151,772	2,072	–	153,844
–	328	–	–	–	–	441
$ 8,616	$ 14,327	$ –	$ 151,772	$ 2,072	$ 3,021	$ 225,262
6,351	–	–	–	–	81	15,434
$ 2,265	$ 14,327	$ –	$ 151,772	$ 2,072	$ 2,940	$ 209,828
$ 19	$ 25	$ 287	$ 349	$ –	$ 13	$ 2,116
205	5,752	18	2,430	360	606	19,828
398	5,318	–	713	35	1,608	19,195
–	–	–	149,451	969	–	150,420
25	117	–	63	1	150	8,939
7	45	–	–	–	–	292
12	582	–	115	1	390	2,846
267	345	–	107	8	78	1,764
89	3	–	111	–	57	330
$ 1,022	$ 12,187	$ 305	$ 153,339	$ 1,374	$ 2,902	$ 205,730
$ 1,243	$ 2,140	$ (305)	$ (1,567)	$ 698	$ 38	$ 4,098
$ 10	$ 30	$ 201	$ 3,290	$ 234	$ 1	$ 4,663
–	–	1	–	–	–	1
(8)	–	–	–	–	18	207
$ 2	$ 30	$ 202	$ 3,290	$ 234	$ 19	$ 4,871
$ 1,245	$ 2,170	$ (103)	$ 1,723	$ 932	$ 57	$ 8,969
–	–	–	1,666	–	–	1,666
–	(2,215)	–	–	–	–	(2,215)
$ 1,245	$ (45)	$ (103)	$ 3,389	$ 932	$ 57	$ 8,420
–	2	–	–	–	–	2
$ 1,245	$ (43)	$ (103)	$ 3,389	$ 932	$ 57	$ 8,422
$ (1,454)	$ 1,631	$ 420	$ –	$ 173	$ 306	$ 7,330
–	30	–	21,955	–	(30)	21,955
$ (1,454)	$ 1,661	$ 420	$ 21,955	$ 173	$ 276	$ 29,285
$ (209)	$ 1,618	$ 317	$ 25,344	$ 1,105	$ 333	$ 37,707

STATE OF MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
JUNE 30, 1990
(IN THOUSANDS)

	COMPUTER SERVICES	CENTRAL STORES	STATE PRINTER	CENTRAL MOTOR POOL
Cash Flows from Operating Activities:				
Operating Income (Loss)	$ 1,961	$ 51	$ 124	$ (285)
Adjustments to Recoñcile Operating Income to Net Cash Flows from Operating Activities:				
Depreciation	$ 6,901	$ 3	$ 192	$ 1,647
Amortization	178	4	3	55
Interest and Financing Costs	1,095	–	25	303
Change in Assets and Liabilities:				
Accounts Receivable	(2,036)	(82)	54	(318)
Inventories	–	43	(35)	4
Other Assets	–	–	–	1
Accounts Payable	24	(63)	41	98
Compensated Absences Payable	26	2	18	(3)
Deferred Revenues	–	–	(3)	–
Net Reconciling Items to be Added (Deducted) from Operating Income	$ 6,188	$ (93)	$ 295	$ 1,787
Net Cash Flows from Operating Activities	$ 8,149	$ (42)	$ 419	$ 1,502
Cash Flows from Noncapital Financing Activities:				
Transfers–In	$ –	$ –	$ –	$ –
Transfers–Out	–	–	–	–
Capital Contributions	(1,000)	–	792	–
Advances from Other Funds	–	–	–	–
Repayments of Advances from Other Funds	–	–	(792)	–
Repayments of Advances to Other Funds	–	–	–	–
Interest Paid	–	–	–	–
Net Cash Flows from Noncapital Financing Activities	$ (1,000)	$ –	$ –	$ –
Cash Flows from Capital and Related Financing Activities:				
Investment in Fixed Assets	$ (7,920)	$ (5)	$ (116)	$ (4,532)
Proceeds from the Sale of Fixed Assets	141	–	15	426
Advances from Other Funds	–	–	–	2,249
Repayments of Advances from Other Funds	–	–	(28)	(2,038)
Proceeds from Loans	6,225	–	–	4,182
Repayment of Loan Principal	(176)	–	–	–
Collection of Financing Leases Receivable	–	–	–	–
Repayment of Installment Contracts	(3,172)	–	(9)	–
Repayment of Bond Principal	(1,570)	–	(106)	(1,927)
Interest Paid	(1,062)	–	(25)	(282)
Net Cash Flows from Capial and Related Financing Activities	$ (7,534)	$ (5)	$ (269)	$ (1,922)
Cash Flows from Investing Activities:				
Proceeds from Sales and Maturities of Investments	$ –	$ –	$ –	$ –
Investment Earnings	534	–	22	341
Net Cash Flows from Investing Activities	$ 534	$ –	$ 22	$ 341
Net Increase (Decrease) in Cash and Cash Equivalents	$ 149	$ (47)	$ 172	$ (79)
Cash and Investments, July 1, 1989, as Reported	$ 6,354	$ 269	$ 763	$ 431
Change in Accounting Principle	–	–	–	–
Changes in Reporting Entity	–	–	–	–
Cash and Cash Equivalents, July 1, 1989	$ 6,354	$ 269	$ 763	$ 431
Cash and Cash Equivalents, June 30, 1990	$ 6,503	$ 222	$ 935	$ 352
Schedule of Noncash Transactions:				
Purchase of Fixed Assets	$ 2,780	$ –	$ –	$ –

TELECOM-MUNICATIONS	PLANT MANAGEMENT	MASTER LEASE	EMPLOYEE INSURANCE	RISK MANAGEMENT	CENTRAL SERVICES	COMBINED TOTALS
$ 1,243	$ 2,140	$ (305)	$ (1,567)	$ 698	$ 38	$ 4,098
$ 25	$ 117	$ –	$ 63	$ 1	$ 150	$ 9,099
7	45	–	–	–	–	292
19	25	287	349	–	13	2,116
(1,068)	485	–	3,801	35	(189)	682
–	8	–	–	–	(3)	17
–	–	67	–	(50)	–	18
702	(284)	(641)	(9,188)	(413)	114	(9,610)
18	32	–	14	1	25	133
–	16	–	–	(12)	–	1
$ (297)	$ 444	$ (287)	$ (4,961)	$ (438)	$ 110	$ 2,748
$ 946	$ 2,584	$ (592)	$ (6,528)	$ 260	$ 148	$ 6,846
$ –	$ –	$ –	$ 1,666	$ –	$ –	$ 1,666
–	(2,215)	–	–	–	–	(2,215)
1,000	(792)	–	–	–	–	–
–	–	–	–	–	91	91
(1,070)	–	–	–	–	–	(1,862)
–	400	–	–	–	–	400
–	–	–	(349)	–	–	(349)
$ (70)	$ (2,607)	$ –	$ 1,317	$ –	$ 91	$ (2,269)
$ (25)	$ (75)	$ –	$ (222)	$ (8)	$ (357)	$ (13,260)
–	1	–	–	–	102	685
–	–	–	–	–	–	2,249
(71)	(12)	–	–	–	(1)	(2,150)
–	17	1	–	–	39	10,464
–	–	–	–	–	–	(176)
140	–	–	–	–	–	140
–	–	–	–	–	(86)	(3,267)
(107)	(127)	(874)	–	–	(4)	(4,715)
(18)	(25)	(296)	–	–	(13)	(1,721)
$ (81)	$ (221)	$ (1,169)	$ (222)	$ (8)	$ (320)	$ (11,751)
$ –	$ –	$ 600	$ –	$ –	$ –	$ 600
10	30	232	3,583	234	1	4,987
$ 10	$ 30	$ 832	$ 3,583	$ 234	$ 1	$ 5,587
$ 805	$ (214)	$ (929)	$ (1,850)	$ 486	$ (80)	$ (1,587)
$ 654	$ 1,207	$ 3,692	$ –	$ 1,710	$ 323	$ 15,403
–	–	(2,165)	–	–	–	(2,165)
–	–	–	41,371	–	–	41,371
$ 654	$ 1,207	$ 1,527	$ 41,371	$ 1,710	$ 323	$ 54,609
$ 1,459	$ 993	$ 598	$ 39,521	$ 2,196	$ 243	$ 53,022
$ –	$ –	$ –	$ –	$ –	$ –	$ 2,780

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FIDUCIARY FUNDS

Fiduciary funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Below are descriptions of the generic fund types within this category and specific funds within each fund type.

PENSION TRUST FUNDS are funds administered by independent boards for which the state performs a fiduciary role. These funds are categorized by function into three types.

Defined Benefit Pension Funds include those retirement funds for which the participant's retirement annuity is based on a statutory formula utilizing such factors as age, average salary, length of service and others. Individual funds in this category include those described below.

The *Public Employees Retirement Fund* includes resources accumulated to pay present and future retirement annuities to eligible employees of various local units of government.

The *Police and Fire Fund* includes resources accumulated to pay present and future retirement annuities to eligible police officers and fire fighters.

The *Police and Fire Consolidation Fund* includes resources accumulated to pay present and future retirement annuities to police officers and firefighters belonging to local relief associations, that merged with the Public Employees Retirement Association.

The *Teachers Retirement Fund* includes resources accumulated to pay present and future retirement annuities for members of both the basic and coordinated teachers retirement plans.

The *State Employees Retirement Fund* includes resources accumulated to pay present and future retirement annuities to state and University of Minnesota employees not covered by other pension funds.

The *State Patrol Retirement Fund* includes resources accumulated to pay present and future retirement annuities to eligible state patrol officers, conservation officers and crime bureau personnel.

The *Correctional Employees Retirement Fund* includes resources accumulated to pay present and future retirement annuities to state employees who have direct responsibility for inmates at Minnesota correctional facilities.

The *Judicial Retirement Fund* includes resources accumulated to pay present and future retirement annuities to eligible district, municipal, county and probate court judges, supreme court justices and various court referees.

The *Elective State Officers Fund* includes resources accumulated to pay present and future retirement annuities for the state's constitutional officers.

The *Legislative Retirement Fund* includes resources accumulated to pay present and future retirement annuities for members of the state legislature.

Defined Contribution Funds include those retirement funds for which the amount of the participant's retirement annuity is primarily determined by the employer/employee contributions. Other factors such as age and length of service may provide minimum eligibility qualifications. Individual funds in this category are described below.

The *Unclassified Employees Retirement Fund* includes the aggregate of unclassified employee share accounts which are either refunded or used to purchase a retirement annuity upon termination of service.

The *College Supplemental Retirement Fund* includes the aggregate of share accounts derived from contributions received from eligible state university and community college employees, with matching state contributions.

Investment Trust Funds are investment funds which serve as investment vehicles for the participating funds. They are administered by the State Board of Investment in accordance with the applicable statutes defining the participating funds, the types of investments which may be purchased and the distribution of earnings or losses.

The *Minnesota Supplemental Investment Fund* provides an investment vehicle for the Defined Contribution Funds and for some locally administered pension plans.

The *Minnesota Post-Retirement Investment Fund* serves as an investment vehicle for the Defined Benefit Funds and as such invests their reserves to produce income for the payment of retirement benefits.

NONEXPENDABLE TRUST FUNDS are funds whose principal may not be expended.

The *Permanent School Fund* is a constitutionally established trust fund which receives revenue from investments and the sale of state land and timber. The investment earnings are transferred to the Endowment School Fund for distribution to school districts.

The *Environment and Natural Resources Trust Fund* receives 40 percent of the net lottery proceeds of the State Lottery Fund. The state constitutional amendment establishing the fund permits a portion of these proceeds, until fiscal year 1997, to be used for the purpose of managing the state's environmental and natural resources; after that only the investment earnings of the fund are available for these purposes.

EXPENDABLE TRUST FUNDS are funds whose resources, including principal and interest, may be expended. Descriptions of individual funds in this category follow.

The *Municipal State-Aid Street Fund* receives 8.95 percent of the revenue received by the Highway User Tax Distribution Fund primarily for distribution to municipalities for improvement of streets.

The *County State-Aid Highway Fund* receives 30.75 percent of the revenue received by the Highway User Tax Distribution Fund primarily for distribution to counties for improvement of county roads.

The *Endowment School Fund* receives revenue from the investments of the Permanent School Fund and distributes it to school districts.

The *Endowment Fund* receives gifts, donations and endowments which may be expended only for those purposes specified by the donors.

The *Northeast Minnesota Economic Protection Fund* receives distributions from taconite production taxes to be held in trust or expended only in economic emergency for the purposes of rehabilitation and diversification of industry in the area largely dependent on the taconite mining industry.

The *Unemployment Compensation Fund* receives unemployment taxes collected from employers and pays unemployment benefits to eligible individuals.

AGENCY FUNDS are funds which hold monies in an agency capacity for various governmental units, individuals or funds. Individual fund descriptions follow.

The *Disbursement Clearing Fund* is a clearing fund used to account for state warrants issued and redeemed.

The *Taxes Clearing Fund* is used to distribute tax receipts as specified by statute.

The *Deferred Compensation Fund* includes the aggregate of voluntary employee payroll deductions which defer income and are repaid in accordance with income tax code restrictions.

The *Social Welfare Fund* includes funds held for patients and inmates in state institutions.

The *Miscellaneous Agency Fund* includes the amounts held in trust by the state for other governmental units, individuals or funds.

STATE OF MINNESOTA
FIDUCIARY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1990
(IN THOUSANDS)

	PENSION TRUST	NON-EXPENDABLE TRUST	EXPENDABLE TRUST	AGENCY	LESS ELIMINATIONS	COMBINED TOTALS
ASSETS						
Cash and Cash Equivalents	$ 521,547	$ 18,229	$ 854,501	$ 167,951	$ –	$ 1,562,228
Investments	11,765,885	345,918	942	330,629	–	12,443,374
Accounts Receivable	44,006	3,494	43,528	3,051	–	94,079
Interfund Receivables	37,857	3,646	35,571	8,651	–	85,725
Accrued Investment/Interest Income	99,294	6,790	90	–	–	106,174
Federal Aid Receivable	–	–	106	–	–	106
Inventories	–	–	3,512	–	–	3,512
Deferred Costs	17	–	3	161	–	181
Loans/Notes Receivable	–	–	12,089	–	–	12,089
Equity in Investment Trust Funds	–	–	–	156,593	156,593	–
Fixed Assets (Net)	697	15,444	–	–	–	16,141
Other Assets	31	–	–	–	–	31
Total Assets	$ 12,469,334	$ 393,521	$ 950,342	$ 667,036	$ 156,593	$ 14,323,640
LIABILITIES AND FUND BALANCES						
Liabilities:						
Warrants Payable	$ –	$ –	$ –	$ 145,749	$ –	$ 145,749
Accounts Payable	5,560	54	24,126	1,856	–	31,596
Interfund Payables	41,959	20,038	2	5,786	–	67,785
Payable to Other Governmental Units	–	–	305	3,151	–	3,456
Deferred Revenue	28	–	1,891	–	–	1,919
Compensated Absences Payable	619	–	89	–	–	708
Funds Held in Trust	–	–	–	510,494	156,593	353,901
Total Liabilities	$ 48,166	$ 20,092	$ 26,413	$ 667,036	$ 156,593	$ 605,114
Fund Balances:						
Reserved Fund Balances:						
Reserved for Encumbrances	$ –	$ –	$ 7,280	$ –	$ –	$ 7,280
Reserved for Inventory	–	–	3,512	–	–	3,512
Reserved for Long-Term Receivables	–	–	41,476	–	–	41,476
Reserved for Local Governments	–	–	464,624	–	–	464,624
Reserved for Endowment Principal	–	372,518	–	–	–	372,518
Reserved for Pension Benefits	12,421,168	–	–	–	–	12,421,168
Reserved for Other	–	–	3	–	–	3
Total Reserved Fund Balances	$ 12,421,168	$ 372,518	$ 516,895	$ –	$ –	$ 13,310,581
Unreserved Fund Balances:						
Designated for Fund Purposes	–	911	407,034	–	–	407,945
Total Fund Balances	$ 12,421,168	$ 373,429	$ 923,929	$ –	$ –	$ 13,718,526
Total Liabilities and Fund Balances	$ 12,469,334	$ 393,521	$ 950,342	$ 667,036	$ 156,593	$ 14,323,640

STATE OF MINNESOTA
PENSION TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1990
(IN THOUSANDS)

	DEFINED BENEFIT	DEFINED CONTRIBUTION	INVESTMENT TRUST	LESS ELIMINATIONS	COMBINED TOTALS
ASSETS					
Cash and Cash Equivalents	$ 121,135	$ 722	$ 399,690	$ –	$ 521,547
Investments	6,457,567	–	5,308,318	–	11,765,885
Accounts Receivable	35,582	230	8,194	–	44,006
Interfund Receivables	8,344	–	29,513	–	37,857
Accrued Investment Income	286	–	99,008	–	99,294
Prepaid Expenses	17	–	–	–	17
Equity in Investment Trust Funds	4,928,376	191,316	–	5,119,692	–
Fixed Assets (Net)	697	–	–	–	697
Other Assets	31	–	–	–	31
Total Assets	$ 11,552,035	$ 192,268	$ 5,844,723	$ 5,119,692	$ 12,469,334
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 5,248	$ 1	$ 311	$ –	$ 5,560
Interfund Payables	38,730	116	3,113	–	41,959
Deferred Revenue	28	–	–	–	28
Compensated Absences Payable	619	–	–	–	619
Total Liabilities	$ 44,625	$ 117	$ 3,424	$ –	$ 48,166
Fund Balances:					
Reserved for Pension Benefits	$ 11,507,410	$ 192,151	$ 5,841,299	$ 5,119,692	$ 12,421,168
Total Fund Balances	$ 11,507,410	$ 192,151	$ 5,841,299	$ 5,119,692	$ 12,421,168
Total Liabilities and Fund Balances	$ 11,552,035	$ 192,268	$ 5,844,723	$ 5,119,692	$ 12,469,334

STATE OF MINNESOTA
PENSION TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	DEFINED BENEFIT	DEFINED CONTRIBUTION	INVESTMENT TRUST	LESS ELIMINATIONS	COMBINED TOTALS
Operating Revenues:					
Contributions	$ 611,884	$ –	$ –	$ –	$ 611,884
Investment Income	797,871	84	482,759	–	1,280,714
Rental and Service Fees	–	60	–	–	60
Distributed Investment Trust Fund Income	394,984	–	–	394,984	–
Realized/Unrealized Gain on Investment Trust Fund Equity	–	19,434	–	19,434	–
Net Realized Gains	–	–	22,913	–	22,913
Decrease in Unrealized Appreciation	–	–	(190,935)	–	(190,935)
Other Income	3,554	–	–	–	3,554
Total Operating Revenues	$ 1,808,293	$ 19,578	$ 314,737	$ 414,418	$ 1,728,190
Operating Expenses:					
Annuity Payments	$ 475,822	$ –	$ –	$ –	$ 475,822
Refunded Contributions	28,886	–	–	–	28,886
Interest and Financing Costs	2,242	–	–	–	2,242
Purchased Services	2,545	103	–	–	2,648
Investment Management Fees	10,953	–	1,261	–	12,214
Salaries and Fringe Benefits	5,156	235	–	–	5,391
Depreciation	193	–	–	–	193
Supplies and Materials	129	6	–	–	135
Indirect Costs	141	–	–	–	141
Other Expenses	466	–	–	–	466
Total Operating Expenses	$ 526,533	$ 344	$ 1,261	$ –	$ 528,138
Operating Income	$ 1,281,760	$ 19,234	$ 313,476	$ 414,418	$ 1,200,052
Nonoperating Revenues (Expenses):					
Participant Contributions	$ –	$ 9,964	$ 561,605	$ 547,755	$ 23,814
Local Association Mergers	50,834	–	–	–	50,834
Participant Withdrawals	–	(5,390)	(464,529)	(450,122)	(19,797)
Net Nonoperating Revenues (Expenses)	$ 50,834	$ 4,574	$ 97,076	$ 97,633	$ 54,851
Income Before Operating Transfers	$ 1,332,594	$ 23,808	$ 410,552	$ 512,051	$ 1,254,903
Operating Transfers–In	38	677	–	–	715
Operating Transfers–Out	(2,372)	–	–	–	(2,372)
Net Income	$ 1,330,260	$ 24,485	$ 410,552	$ 512,051	$ 1,253,246
Fund Balances, July 1, 1989	10,177,150	167,666	5,430,747	4,607,641	11,167,922
Fund Balances, June 30, 1990	$ 11,507,410	$ 192,151	$ 5,841,299	$ 5,119,692	$ 12,421,168

STATE OF MINNESOTA
DEFINED BENEFIT PENSION FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1990
(IN THOUSANDS)

	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION			TEACHERS RETIREMENT ASSOCIATION
	PUBLIC EMPLOYEES RETIREMENT	POLICE AND FIRE	POLICE AND FIRE CONSOLIDATION	TEACHERS RETIREMENT
ASSETS				
Cash and Cash Equivalents	$ 42,625	$ 17,137	$ 2,958	$ 34,465
Investments	1,453,246	541,662	41,722	2,984,399
Accounts Receivable	265	160	18	30,874
Interfund Receivables	269	15	1,302	91
Accrued Investment Income	–	–	–	193
Prepaid Expenses	–	–	–	17
Equity in Investment Trust Funds	1,763,685	181,703	40,666	2,025,603
Fixed Assets (Net)	267	–	–	330
Other Assets	31	–	–	–
Total Assets	$ 3,260,388	$ 740,677	$ 86,666	$ 5,075,972
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 1,354	$ 288	$ 41	$ 2,710
Interfund Payables	8,668	1,321	254	27,532
Deferred Revenue	–	–	–	–
Compensated Absences Payable	209	–	–	222
Total Liabilities	$ 10,231	$ 1,609	$ 295	$ 30,464
Fund Balances:				
Reserved for Pension Benefits	$ 3,250,157	$ 739,068	$ 86,371	$ 5,045,508
Total Fund Balances	$ 3,250,157	$ 739,068	$ 86,371	$ 5,045,508
Total Liabilities and Fund Balances	$ 3,260,388	$ 740,677	$ 86,666	$ 5,075,972

MINNESOTA STATE RETIREMENT SYSTEM						
STATE EMPLOYEES RETIREMENT	STATE PATROL RETIREMENT	CORRECTIONAL EMPLOYEES RETIREMENT	JUDICIAL RETIREMENT	ELECTIVE STATE OFFICERS	LEGISLATIVE RETIREMENT	COMBINED TOTALS
$ 20,410	$ 1,433	$ 1,865	$ 242	$ –	$ –	$ 121,135
1,274,858	96,337	61,751	3,592	–	–	6,457,567
3,838	250	175	–	2	–	35,582
1,980	87	95	–	351	4,154	8,344
82	6	5	–	–	–	286
–	–	–	–	–	–	17
766,790	84,931	31,241	24,949	–	8,808	4,928,376
100	–	–	–	–	–	697
–	–	–	–	–	–	31
$ 2,068,058	$ 183,044	$ 95,132	$ 28,783	$ 353	$ 12,962	$ 11,552,035
$ 802	$ 49	$ 3	$ 1	$ –	$ –	$ 5,248
–	75	114	550	2	214	38,730
–	–	–	28	–	–	28
188	–	–	–	–	–	619
$ 990	$ 124	$ 117	$ 579	$ 2	$ 214	$ 44,625
$ 2,067,068	$ 182,920	$ 95,015	$ 28,204	$ 351	$ 12,748	$ 11,507,410
$ 2,067,068	$ 182,920	$ 95,015	$ 28,204	$ 351	$ 12,748	$ 11,507,410
$ 2,068,058	$ 183,044	$ 95,132	$ 28,783	$ 353	$ 12,962	$ 11,552,035

STATE OF MINNESOTA
DEFINED BENEFIT PENSION FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION			TEACHERS RETIREMENT ASSOCIATION
	PUBLIC EMPLOYEES RETIREMENT	POLICE AND FIRE	POLICE AND FIRE CONSOLIDATION	TEACHERS RETIREMENT
Operating Revenues:				
Employer Contributions	$ 93,865	$ 24,274	$ 5,347	$ 166,099
Employee Contributions	87,031	16,224	596	84,542
Investment Income	190,863	66,039	2,366	361,494
Distributed Investment Trust Fund Income	144,529	14,525	1,904	159,117
Other Income	863	1,720	–	926
Total Operating Revenues	$ 517,151	$ 122,782	$ 10,213	$ 772,178
Operating Expenses:				
Annuity Payments	$ 182,363	$ 17,631	$ 3,744	$ 179,792
Refunded Contributions	12,711	1,038	183	6,446
Interest and Financing Costs	594	69	375	–
Purchased Services	1,129	80	5	687
Investment Management Fees	2,468	904	43	5,075
Salaries and Fringe Benefits	2,158	152	10	1,780
Depreciation	100	–	–	66
Supplies and Materials	55	4	–	41
Indirect Costs	40	3	–	27
Other Expenses	362	35	24	45
Total Operating Expenses	$ 201,980	$ 19,916	$ 4,384	$ 193,959
Operating Income	$ 315,171	$ 102,866	$ 5,829	$ 578,219
Nonoperating Revenues:				
Local Association Mergers	$ –	$ –	$ 50,834	$ –
Total Nonoperating Revenues	$ –	$ –	$ 50,834	$ –
Income Before Operating Transfers	$ 315,171	$ 102,866	$ 56,663	$ 578,219
Operating Transfers–In	9	–	–	–
Operating Transfers–Out	–	(1,666)	–	–
Net Income	$ 315,180	$ 101,200	$ 56,663	$ 578,219
Fund Balances, July 1, 1989	2,934,977	637,868	29,708	4,467,289
Fund Balances, June 30, 1990	$ 3,250,157	$ 739,068	$ 86,371	$ 5,045,508

MINNESOTA STATE RETIREMENT SYSTEM						
STATE EMPLOYEES RETIREMENT	STATE PATROL RETIREMENT	CORRECTIONAL EMPLOYEES RETIREMENT	JUDICIAL RETIREMENT	ELECTIVE STATE OFFICERS	LEGISLATIVE RETIREMENT	COMBINED TOTALS
$ 57,200	$ 5,706	$ 3,412	$ 5,500	$ 112	$ 451	$ 361,966
55,671	2,568	1,925	779	36	546	249,918
156,966	11,838	7,618	687	–	–	797,871
62,802	7,008	2,529	1,806	–	764	394,984
5	1	–	39	–	–	3,554
$ 332,644	$ 27,121	$ 15,484	$ 8,811	$ 148	$ 1,761	$ 1,808,293
$ 76,040	$ 7,847	$ 3,187	$ 3,846	$ 110	$ 1,262	$ 475,822
8,203	27	247	1	–	30	28,886
1,046	100	35	22	–	1	2,242
520	34	52	24	–	14	2,545
2,184	164	106	9	–	–	10,953
904	40	61	28	1	22	5,156
27	–	–	–	–	–	193
24	1	2	1	–	1	129
67	1	2	1	–	–	141
–	–	–	–	–	–	466
$ 89,015	$ 8,214	$ 3,692	$ 3,932	$ 111	$ 1,330	$ 526,533
$ 243,629	$ 18,907	$ 11,792	$ 4,879	$ 37	$ 431	$ 1,281,760
$ –	$ –	$ –	$ –	$ –	$ –	$ 50,834
$ –	$ –	$ –	$ –	$ –	$ –	$ 50,834
$ 243,629	$ 18,907	$ 11,792	$ 4,879	$ 37	$ 431	$ 1,332,594
–	–	29	–	–	–	38
(706)	–	–	–	–	–	(2,372)
$ 242,923	$ 18,907	$ 11,821	$ 4,879	$ 37	$ 431	$ 1,330,260
1,824,145	164,013	83,194	23,325	314	12,317	10,177,150
$ 2,067,068	$ 182,920	$ 95,015	$ 28,204	$ 351	$ 12,748	$ 11,507,410

STATE OF MINNESOTA
DEFINED CONTRIBUTION FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1990
(IN THOUSANDS)

	MINNESOTA STATE RETIREMENT SYSTEM UNCLASSIFIED EMPLOYEES RETIREMENT	TEACHERS RETIREMENT ASSOCIATION COLLEGE SUPPLEMENTAL RETIREMENT	COMBINED TOTALS
ASSETS			
Cash and Cash Equivalents	$ 717	$ 5	$ 722
Accounts Receivable	230	-	230
Equity in Investment Trust Funds	73,369	117,947	191,316
Total Assets	$ 74,316	$ 117,952	$ 192,268
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 1	$ -	$ 1
Interfund Payables	25	91	116
Total Liabilities	$ 26	$ 91	$ 117
Fund Balances:			
Reserved for Pension Benefits	$ 74,290	$ 117,861	$ 192,151
Total Reserved Fund Balances	$ 74,290	$ 117,861	$ 192,151
Total Liabilities and Fund Balances	$ 74,316	$ 117,952	$ 192,268

STATE OF MINNESOTA
DEFINED CONTRIBUTION FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	MINNESOTA STATE RETIREMENT SYSTEM UNCLASSIFIED EMPLOYEES RETIREMENT	TEACHERS RETIREMENT ASSOCIATION COLLEGE SUPPLEMENTAL RETIREMENT	COMBINED TOTALS
Operating Revenues:			
Investment Income	$ 54	$ 30	$ 84
Rental and Service Fees	-	60	60
Realized/Unrealized Gain on Investments in Investment Trust Fund	6,955	12,479	19,434
Total Operating Revenues	$ 7,009	$ 12,569	$ 19,578
Operating Expenses:			
Purchased Services	$ 67	$ 36	$ 103
Salaries and Fringe Benefits	141	94	235
Supplies and Materials	4	2	6
Total Operating Expenses	$ 212	$ 132	$ 344
Operating Income	$ 6,797	$ 12,437	$ 19,234
Nonoperating Revenues (Expenses):			
Employer Contributions	$ 4,004	$ 1,471	$ 5,475
Employee Contributions	3,018	1,471	4,489
Refunds	(2,132)	(3,258)	(5,390)
Net Nonoperating Revenues (Expenses)	$ 4,890	$ (316)	$ 4,574
Income Before Operating Transfers	$ 11,687	$ 12,121	$ 23,808
Operating Transfers-In	677	-	677
Net Income	$ 12,364	$ 12,121	$ 24,485
Fund Balances, July 1, 1989	61,926	105,740	167,666
Fund Balances, June 30, 1990	$ 74,290	$ 117,861	$ 192,151

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STATE OF MINNESOTA
INVESTMENT TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1990
(IN THOUSANDS)

	MINNESOTA SUPPLEMENTAL INVESTMENT	MINNESOTA POST RETIREMENT INVESTMENT	COMBINED TOTALS
ASSETS			
Cash and Cash Equivalents	$ 102,707	$ 296,983	$ 399,690
Investments	371,700	4,936,618	5,308,318
Security Sales Receivable	–	8,194	8,194
Interfund Receivables	–	29,513	29,513
Accrued Investment Income	2,273	96,735	99,008
Total Assets	$ 476,680	$ 5,368,043	$ 5,844,723
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 130	$ 181	$ 311
Interfund Payables	–	3,113	3,113
Total Liabilities	$ 130	$ 3,294	$ 3,424
Fund Balances:			
Reserved for Pension Benefits	$ 476,550	$ 5,364,749	$ 5,841,299
Total Fund Balances	$ 476,550	$ 5,364,749	$ 5,841,299
Total Liabilities and Fund Balances	$ 476,680	$ 5,368,043	$ 5,844,723

STATE OF MINNESOTA
INVESTMENT TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	MINNESOTA SUPPLEMENTAL INVESTMENT	MINNESOTA POST RETIREMENT INVESTMENT	COMBINED TOTALS
Operating Revenues:			
Investment Income	$ 44,059	$ 438,700	$ 482,759
Realized Gains on Investments:			
Proceeds from Security Sales	$ 55,446	$ 331,663	$ 387,109
Cost of Securities Sold	52,796	311,400	364,196
Total Realized Gains	$ 2,650	$ 20,263	$ 22,913
Unrealized Gains (Losses):			
Beginning of Period	$ 17,215	$ 398,633	$ 415,848
End of Period	17,657	207,256	224,913
Increase (Decrease) in Unrealized Appreciation	$ 442	$ (191,377)	$ (190,935)
Total Operating Revenues	$ 47,151	$ 267,586	$ 314,737
Operating Expenses:			
Investment Management Fees	$ 428	$ 833	$ 1,261
Operating Income	$ 46,723	$ 266,753	$ 313,476
Nonoperating Revenues (Expenses):			
Participant Contributions	$ 26,773	$ 534,832	$ 561,605
Participant Withdrawals	(22,397)	(442,132)	(464,529)
Net Nonoperating Revenues (Expenses)	$ 4,376	$ 92,700	$ 97,076
Net Income	$ 51,099	$ 359,453	$ 410,552
Fund Balances, July 1, 1989	425,451	5,005,296	5,430,747
Fund Balances, June 30, 1990	$ 476,550	$ 5,364,749	$ 5,841,299

STATE OF MINNESOTA
NONEXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1990
(IN THOUSANDS)

	PERMANENT SCHOOL	ENVIRONMENT AND NATURAL RESOURCES TRUST	COMBINED TOTALS
ASSETS			
Cash and Cash Equivalents	$ 18,229	$ -	$ 18,229
Investments	345,918	-	345,918
Accounts Receivable	3,494	-	3,494
Interfund Receivables	-	3,646	3,646
Accrued Investment Income	6,790	-	6,790
Fixed Assets (Net)	15,444	-	15,444
Total Assets	$ 389,875	$ 3,646	$ 393,521
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 54	$ -	$ 54
Interfund Payables	20,038	-	20,038
Total Liabilities	$ 20,092	$ -	$ 20,092
Fund Balances:			
Reserved Fund Balances:			
Reserved for Endowment Principal	$ 369,783	$ 2,735	$ 372,518
Total Reserved Fund Balances	$ 369,783	$ 2,735	$ 372,518
Unreserved Fund Balances:			
Designated for Fund Purposes	$ -	$ 911	$ 911
Total Unreserved Fund Balances	$ -	$ 911	$ 911
Total Fund Balances	$ 369,783	$ 3,646	$ 373,429
Total Liabilities and Fund Balances	$ 389,875	$ 3,646	$ 393,521

STATE OF MINNESOTA
NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	PERMANENT SCHOOL	ENVIRONMENT AND NATURAL RESOURCES TRUST	COMBINED TOTALS
Operating Revenues:			
Net Sales	$ 5,205	$ -	$ 5,205
Investment Income	33,804	-	33,804
Total Operating Revenues	$ 39,009	$ -	$ 39,009
Operating Expenses:			
Purchased Services	$ 371	$ -	$ 371
Salaries and Fringe Benefits	6	-	6
Depreciation	1	-	1
Amortization	101	-	101
Indirect Costs	2	-	2
Total Operating Expenses	$ 481	$ -	$ 481
Operating Income	$ 38,528	$ -	$ 38,528
Nonoperating Revenues:			
Gain on Sale of Fixed Assets	$ 1,284	$ -	$ 1,284
Total Nonoperating Revenues	$ 1,284	$ -	$ 1,284
Income Before Operating Transfers	$ 39,812	$ -	$ 39,812
Operating Transfers-In	-	3,646	3,646
Operating Transfers-Out	(35,722)	-	(35,722)
Net Income	$ 4,090	$ 3,646	$ 7,736
Fund Balances, July 1, 1989	365,693	-	365,693
Fund Balances, June 30, 1990	$ 369,783	$ 3,646	$ 373,429

STATE OF MINNESOTA
NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	PERMANENT SCHOOL	ENVIRONMENT AND NATURAL RESOURCES TRUST	COMBINED TOTALS
Cash Flows from Operating Activities:			
Operating Income	$ 38,528	$ -	$ 38,528
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:			
Depreciation	$ 1	$ -	$ 1
Amortization	101	-	101
Investment Income	(33,804)	-	(33,804)
Change in Assets and Liabilities:			
Accounts Receivable	112	-	112
Accounts Payable	44	-	44
Net Reconciling Items to be Added (Deducted) from Operating Income	$ (33,546)	$ -	$ (33,546)
Net Cash Flows from Operating Activities	$ 4,982	$ -	$ 4,982
Cash Flows from Noncapital Financing Activities:			
Operating Transfers-Out	$ (35,983)	$ -	$ (35,983)
Net Cash Flows from Noncapital Financing Activities	$ (35,983)	$ -	$ (35,983)
Cash Flows from Capital and Related Financing Activities:			
Investment in Fixed Assets	$ (7)	$ -	$ (7)
Proceeds from the Sale of Fixed Assets	657	-	657
Net Cash Flows from Capital and Related Financing Activities	$ 650	$ -	$ 650
Cash Flows from Investing Activities:			
Proceeds from Sales and Maturities of Investments	$ 18,167	$ -	$ 18,167
Purchase of Investments	(12,335)	-	(12,335)
Investment Earnings	33,139	-	33,139
Net Cash Flows from Investing Activities	$ 38,971	$ -	$ 38,971
Net Increase in Cash and Cash Equivalents	$ 8,620	$ -	$ 8,620
Cash and Investments, July 1, 1989, as Reported	$ 360,943	$ -	$ 360,943
Change in Accounting Principle	(351,334)	-	(351,334)
Cash and Cash Equivalents, July 1, 1989	$ 9,609	$ -	$ 9,609
Cash and Cash Equivalents, July 1, 1990	$ 18,229	$ -	$ 18,229

STATE OF MINNESOTA
EXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1990
(IN THOUSANDS)

	MUNICIPAL STATE-AID STREET	COUNTY STATE-AID HIGHWAY	ENDOWMENT SCHOOL
ASSETS			
Cash and Cash Equivalents	$ 185,161	$ 251,568	$ -
Investments	-	-	-
Accounts Receivable	4	372	-
Interfund Receivables	4,249	14,388	16,930
Accrued Investment/Interest Income	-	-	-
Federal Aid Receivable	-	-	-
Inventories	-	-	-
Deferred Costs	-	-	-
Loans/Notes Receivable	-	-	-
Total Assets	$ 189,414	$ 266,328	$ 16,930
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 450	$ 5,594	$ -
Interfund Payables	-	-	-
Payable to Other Governmental Units	-	-	-
Deferred Revenue	-	-	-
Compensated Absences Payable	-	-	-
Total Liabilities	$ 450	$ 5,594	$ -
Fund Balances:			
Reserved Retained Earnings:			
Reserved for Encumbrances	$ 426	$ 1,578	$ -
Reserved for Inventory	-	-	-
Reserved for Long-Term Receivables	-	-	-
Reserved for Local Governments	188,538	259,156	16,930
Reserved for Other	-	-	-
Total Reserved Fund Balances	$ 188,964	$ 260,734	$ 16,930
Unreserved Fund Balances:			
Designated for Fund Purposes	-	-	-
Total Fund Balances	$ 188,964	$ 260,734	$ 16,930
Total Liabilities and Fund Balances	$ 189,414	$ 266,328	$ 16,930

ENDOWMENT	NORTHEAST MINNESOTA ECONOMIC PROTECTION	UNEMPLOYMENT COMPENSATION	COMBINED TOTALS
$ 13,949	$ 56,477	$ 347,346	$ 854,501
942	–	–	942
394	174	42,584	43,528
4	–	–	35,571
90	–	–	90
–	–	106	106
–	3,512	–	3,512
3	–	–	3
–	12,089	–	12,089
$ 15,382	$ 72,252	$ 390,036	$ 950,342
$ 6,769	$ 261	$ 11,052	$ 24,126
2	–	–	2
–	305	–	305
3	–	1,888	1,891
30	59	–	89
$ 6,804	$ 625	$ 12,940	$ 26,413
$ 1,262	$ 4,014	$ –	$ 7,280
–	3,512	–	3,512
–	8,485	32,991	41,476
–	–	–	464,624
3	–	–	3
$ 1,265	$ 16,011	$ 32,991	$ 516,895
7,313	55,616	344,105	407,034
$ 8,578	$ 71,627	$ 377,096	$ 923,929
$ 15,382	$ 72,252	$ 390,036	$ 950,342

STATE OF MINNESOTA
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	MUNICIPAL STATE-AID STREET	COUNTY STATE-AID HIGHWAY	ENDOWMENT SCHOOL
Net Revenues:			
Unemployment Taxes	$ –	$ –	$ –
Mining Taxes	–	–	–
Federal Revenues	–	–	–
Investment/Interest Income	14,712	20,226	–
Other Revenues	–	–	–
Net Revenues	$ 14,712	$ 20,226	$ –
Expenditures:			
Current:			
Protection of Persons and Property	$ –	$ –	$ –
Transportation	673	2,252	–
Resource Management	–	–	–
Economic and Manpower Development	–	–	–
Education	–	–	–
Health and Social Services	–	–	–
General Government	–	–	–
Total Current Expenditures	$ 673	$ 2,252	$ –
Grants and Subsidies	55,656	217,700	32,966
Total Expenditures	$ 56,329	$ 219,952	$ 32,966
Excess of Revenues Over (Under) Expenditures	$ (41,617)	$ (199,726)	$ (32,966)
Other Financing Sources (Uses):			
Operating Transfers–In	$ 70,936	$ 243,719	$ 32,628
Operating Transfers–Out	–	–	–
Other Uses	–	–	–
Net Other Financing Sources (Uses)	$ 70,936	$ 243,719	$ 32,628
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	$ 29,319	$ 43,993	$ (338)
Fund Balances, July 1, 1989, as Reported	$ 159,645	$ 216,741	$ 17,268
Changes in Reporting Entity	–	–	–
Fund Balances, July 1, 1989, as Restated	$ 159,645	$ 216,741	$ 17,268
Residual Equity Transfers–In	–	–	–
Fund Balances, June 30, 1990	$ 188,964	$ 260,734	$ 16,930

ENDOWMENT	NORTHEAST MINNESOTA ECONOMIC PROTECTION	UNEMPLOYMENT COMPENSATION	COMBINED TOTALS
$ -	$ -	$ 390,109	$ 390,109
-	4,907	-	4,907
-	-	5,043	5,043
608	5,586	2,124	43,256
18,294	270	26,323	44,887
$ 18,902	$ 10,763	$ 423,599	$ 488,202
$ 27	$ -	$ -	$ 27
-	-	-	2,925
304	-	-	304
312	3,734	-	4,046
3,167	-	-	3,167
1,006	-	-	1,006
616	52	-	668
$ 5,432	$ 3,786	$ -	$ 12,143
11,150	869	350,531	668,872
$ 16,582	$ 4,655	$ 350,531	$ 681,015
$ 2,320	$ 6,108	$ 73,068	$ (192,813)
$ -	$ -	$ -	$ 347,283
(1,374)	(361)	-	(1,735)
-	(2,796)	-	(2,796)
$ (1,374)	$ (3,157)	$ -	$ 342,752
$ 946	$ 2,951	$ 73,068	$ 149,939
$ 6,928	$ 66,105	$ 304,028	$ 770,715
704	-	-	704
$ 7,632	$ 66,105	$ 304,028	$ 771,419
-	2,571	-	2,571
$ 8,578	$ 71,627	$ 377,096	$ 923,929

STATE OF MINNESOTA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	BALANCE JULY 1, 1989	INCREASES	DECREASES	BALANCE JUNE 30, 1990
SOCIAL WELFARE				
ASSETS				
Cash and Cash Equivalents	$ 5,578	$ 18,552	$ 18,017	$ 6,113
Interfund Receivables	17	-	17	-
Total Assets	$ 5,595	$ 18,552	$ 18,034	$ 6,113
LIABILITIES				
Accounts Payable	$ 172	$ 175	$ 172	$ 175
Interfund Payables	5	4	5	4
Funds Held in Trust	5,418	18,373	17,857	5,934
Total Liabilities	$ 5,595	$ 18,552	$ 18,034	$ 6,113
DEFERRED COMPENSATION				
ASSETS				
Cash and Cash Equivalents	$ 1,386	$ 54,650	$ 54,360	$ 1,676
Investments	265,258	95,860	30,784	330,334
Accounts Receivable	1,247	2,753	1,247	2,753
Equity in Investment Trust Funds	138,955	31,914	14,276	156,593
Total Assets	$ 406,846	$ 185,177	$ 100,667	$ 491,356
LIABILITIES				
Accounts Payable	$ 10	$ 13	$ 10	$ 13
Interfund Payables	25	46	25	46
Funds Held in Trust	406,811	115,944	31,458	491,297
Total Liabilities	$ 406,846	$ 116,003	$ 31,493	$ 491,356
TAXES CLEARING				
ASSETS				
Cash and Cash Equivalents	$ 7,531	$ 39,215	$ 38,308	$ 8,438
Total Assets	$ 7,531	$ 39,215	$ 38,308	$ 8,438
LIABILITIES				
Accounts Payable	$ -	$ 352	$ -	$ 352
Interfund Payables	34	44	34	44
Payable to Other Governmental Units	2,671	2,857	2,670	2,858
Funds Held in Trust	4,826	35,962	35,604	5,184
Total Liabilities	$ 7,531	$ 39,215	$ 38,308	$ 8,438

STATE OF MINNESOTA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	BALANCE JULY 1, 1989	INCREASES	DECREASES	BALANCE JUNE 30, 1990
DISBURSEMENT CLEARING				
ASSETS				
Cash and Cash Equivalents	$ 154,062	$ 11,559,495	$ 11,576,459	$ 137,098
Interfund Receivables	–	8,651	–	8,651
Total Assets	$ 154,062	$ 11,568,146	$ 11,576,459	$ 145,749
LIABILITIES				
Warrants Payable	$ 154,062	$ 11,568,146	$ 11,576,459	$ 145,749
Total Liabilities	$ 154,062	$ 11,568,146	$ 11,576,459	$ 145,749
MISCELLANEOUS AGENCY				
ASSETS				
Cash and Cash Equivalents	$ 9,124	$ 105,027	$ 99,525	$ 14,626
Investments	730	164	599	295
Accounts Receivable	221	310	233	298
Interfund Receivables	439	–	439	–
Deferred Costs	130	161	130	161
Total Assets	$ 10,644	$ 105,662	$ 100,926	$ 15,380
LIABILITIES				
Accounts Payable	$ 547	$ 1,281	$ 512	$ 1,316
Interfund Payables	331	5,692	331	5,692
Payable to Other Governmental Units	295	293	295	293
Funds Held in Trust	9,471	103,479	104,871	8,079
Total Liabilities	$ 10,644	$ 110,745	$ 106,009	$ 15,380
TOTAL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	$ 177,681	$ 11,776,939	$ 11,786,669	$ 167,951
Investments	265,988	96,024	31,383	330,629
Accounts Receivable	1,468	3,063	1,480	3,051
Interfund Receivables	456	8,651	456	8,651
Deferred Costs	130	161	130	161
Equity in Investment Trust Funds	138,955	31,914	14,276	156,593
Total Assets	$ 584,678	$ 11,916,752	$ 11,834,394	$ 667,036
LIABILITIES				
Warrants Payable	$ 154,062	$ 11,568,146	$ 11,576,459	$ 145,749
Accounts Payable	729	1,821	694	1,856
Interfund Payables	395	5,786	395	5,786
Payable to Other Governmental Units	2,966	3,150	2,965	3,151
Funds Held in Trust	426,526	273,758	189,790	510,494
Total Liabilities	$ 584,678	$ 11,852,661	$ 11,770,303	$ 667,036

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GENERAL FIXED ASSETS ACCOUNT GROUP

The *General Fixed Assets Account Group* is maintained to account for fixed assets acquired or constructed for use by the state, other than those accounted for in proprietary and fiduciary funds.

STATE OF MINNESOTA
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCES
JUNE 30, 1990
(IN THOUSANDS)

GENERAL FIXED ASSETS:

Land	$	204,599
Buildings		867,301
Equipment		431,118
Construction in Progress		161,763
Total General Fixed Assets	$	1,664,781

INVESTMENT IN GENERAL FIXED ASSETS:

Investment in Assets Acquired Prior to July 1, 1984 – Source Unidentified	$	912,296
Expenditures from:		
General Fund		121,837
Special Revenue Funds:		
Trunk Highway Fund		200,402
Highway User Tax Distribution Fund		987
Other Transportation Funds		1,250
Federal Fund		58,873
Environmental Fund		577
Natural Resources Funds		20,072
Special Workers Compensation Fund		1,800
Iron Range Resources and Rehabilitation Fund		18,311
Miscellaneous Special Revenue Fund		39,006
Capital Projects Funds:		
General Project Fund		6,015
Reinvest in Minnesota Fund		7,407
Building Fund		255,929
Donations		20,019
Total Investment in General Fixed Assets	$	1,664,781

STATE OF MINNESOTA
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
JUNE 30, 1990
(IN THOUSANDS)

Function and Activity	LAND	BUILDINGS	EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
Protection of Persons and Property:					
Military Affairs	$ 3,739	$ 47,694	$ 412	$ 20,512	$ 72,357
Public Safety	–	–	30,669	–	30,669
Others	–	–	145	–	145
Total Protection of Persons and Property	$ 3,739	$ 47,694	$ 31,226	$ 20,512	$ 103,171
Transportation:					
Transportation	$ 4,520	$ 86,463	$ 139,941	$ 7,444	$ 238,368
Others	–	–	10	–	10
Total Transportation	$ 4,520	$ 86,463	$ 139,951	$ 7,444	$ 238,378
Resource Management:					
Natural Resources	$ 157,335	$ 31,426	$ 47,718	$ 597	$ 237,076
Pollution Control	–	–	5,262	–	5,262
Others	–	–	171	–	171
Total Resource Management	$ 157,335	$ 31,426	$ 53,151	$ 597	$ 242,509
Economic and Manpower Development:					
Agriculture	$ –	$ –	$ 3,482	$ –	$ 3,482
Commerce	–	–	1,057	–	1,057
Jobs and Training	673	6,514	22,822	–	30,009
Trade and Economic Development	1,002	13,736	2,376	–	17,114
Labor and Industry	–	–	3,923	–	3,923
Iron Range Resources and Rehabilitation	197	24,039	2,885	1,759	28,880
Public Service	–	–	1,643	–	1,643
Others	–	–	1,096	–	1,096
Total Economic and Manpower Development	$ 1,872	$ 44,289	$ 39,284	$ 1,759	$ 87,204
Education:					
State University System	$ 10,655	$ 163,063	$ 57,285	$ 31,795	$ 262,798
Community College System	9,477	121,228	24,219	28,347	183,271
Vocational Technical Education	–	–	1,358	–	1,358
Education	30	10,229	3,474	–	13,733
Higher Education Coordinating Board	–	–	915	–	915
Zoological Garden	1,175	32,583	2,293	2,855	38,906
Others	–	–	770	–	770
Total Education	$ 21,337	$ 327,103	$ 90,314	$ 62,997	$ 501,751
Health and Social Services:					
Health	$ –	$ –	$ 7,361	$ –	$ 7,361
Human Services	253	146,448	19,386	1,526	167,613
Veterans Affairs	98	21,478	1,444	2,400	25,420
Corrections	108	93,280	11,298	1,734	106,420
Others	30	–	1,019	–	1,049
Total Health and Human Services	$ 489	$ 261,206	$ 40,508	$ 5,660	$ 307,863
General Government:					
Administration (1)	$ 15,307	$ 69,120	$ 5,893	$ 62,794	$ 153,114
Attorney General	–	–	1,024	–	1,024
Employee Relations	–	–	2,094	–	2,094
State Planning	–	–	1,325	–	1,325
Governor	–	–	800	–	800
Legislature	–	–	7,405	–	7,405
Secretary of State	–	–	5,584	–	5,584
Supreme Court	–	–	2,320	–	2,320
Revenue	–	–	7,564	–	7,564
Others	–	–	2,675	–	2,675
Total General Government	$ 15,307	$ 69,120	$ 36,684	$ 62,794	$ 183,905
Total General Fixed Assets	$ 204,599	$ 867,301	$ 431,118	$ 161,763	$ 1,664,781

(1) Consists primarily of buildings and land located in the capital complex area.

STATE OF MINNESOTA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

Function and Activity	GENERAL FIXED ASSETS JULY 1, 1989	ADDITIONS	DEDUCTIONS/ NET TRANSFERS	ADJUSTMENTS	GENERAL FIXED ASSETS JUNE 30, 1990
Protection of Persons and Property:					
Military Affairs	$ 65,635	$ 8,179	$ 1,756	$ 299	$ 72,357
Public Safety	28,592	5,392	3,493	178	30,669
Others	128	18	1	–	145
Total Protection of Persons and Property	$ 94,355	$ 13,589	$ 5,250	$ 477	$ 103,171
Transportation:					
Transportation	$ 219,352	$ 22,476	$ 3,451	$ (9)	$ 238,368
Others	10	–	–	–	10
Total Transportation	$ 219,362	$ 22,476	$ 3,451	$ (9)	$ 238,378
Resource Management:					
Natural Resources	$ 224,904	$ 14,268	$ 2,944	$ 848	$ 237,076
Pollution Control	4,420	869	18	(9)	5,262
Others	116	55	–	–	171
Total Resource Management	$ 229,440	$ 15,192	$ 2,962	$ 839	$ 242,509
Economic and Manpower Development:					
Agriculture	$ 2,436	$ 922	$ 97	$ 221	$ 3,482
Commerce	950	107	–	–	1,057
Jobs and Training	27,130	3,603	192	(532)	30,009
Trade and Economic Development	2,957	9,067	77	5,167	17,114
Labor and Industry	3,351	584	12	–	3,923
Iron Range Resources and Rehabilitation	26,970	1,975	194	129	28,880
Public Service	1,545	137	39	–	1,643
Others	744	374	21	(1)	1,096
Total Economic and Manpower Development	$ 66,083	$ 16,769	$ 632	$ 4,984	$ 87,204
Education:					
State University System	$ 234,951	$ 18,136	$ 1,840	$ 11,551	$ 262,798
Community College System	169,039	14,193	(43)	(4)	183,271
Vocational Technical Education	1,146	143	–	69	1,358
Education	12,992	801	81	21	13,733
Higher Education Coordinating Board	979	18	82	–	915
Zoological Garden	–	1,918	45	37,033	38,906
Others	384	398	12	–	770
Total Education	$ 419,491	$ 35,607	$ 2,017	$ 48,670	$ 501,751
Health and Social Services:					
Health	$ 5,832	$ 1,341	$ (30)	$ 158	$ 7,361
Human Services	164,959	6,296	3,187	(455)	167,613
Veterans Affairs	20,787	4,777	100	(44)	25,420
Corrections	101,460	3,921	(1,742)	(703)	106,420
Others	827	218	(6)	(2)	1,049
Total Health and Human Services	$ 293,865	$ 16,553	$ 1,509	$ (1,046)	$ 307,863
General Government:					
Administration (1)	$ 142,369	$ 11,476	$ 190	$ (541)	$ 153,114
Attorney General	989	34	(1)	–	1,024
Employee Relations	937	1,157	(3)	(3)	2,094
State Planning	1,277	73	25	–	1,325
Governor	641	37	(1)	121	800
Legislature	5,951	1,467	7	(6)	7,405
Secretary of State	2,367	4,713	1,497	1	5,584
Supreme Court	1,923	394	(3)	–	2,320
Revenue	5,760	1,966	156	(6)	7,564
Others	2,370	232	14	87	2,675
Total General Government	$ 164,584	$ 21,549	$ 1,881	$ (347)	$ 183,905
Total General Fixed Assets	$ 1,487,180	$ 141,735	$ 17,702	$ 53,568	$ 1,664,781

(1) Consists primarily of buildings and land located in the capital complex area.

GENERAL LONG-TERM OBLIGATION ACCOUNT GROUP

The *General Long-Term Obligation Account Group* accounts for unmatured principal of bonds, notes and other forms of long-term indebtedness which are not accounted for in proprietary or fiduciary funds.

STATE OF MINNESOTA
GENERAL LONG-TERM OBLIGATION ACCOUNT GROUP
STATEMENT OF CHANGES IN GENERAL LONG-TERM OBLIGATIONS
YEAR ENDED JUNE 30, 1990
(IN THOUSANDS)

	BALANCE JULY 1, 1989	INCREASE	DECREASE	BALANCE JUNE 30, 1990
Amount Available and to be Provided for Payment of General Long-Term Obligations:				
Amount Available in Debt Service Fund	$ 124,565	$ 134,234	$ 121,869	$ 136,930
Amount to be Provided:				
General Fund	$ 1,447,632	$ 720,820	$ 435,667	$ 1,732,785
Trunk Highway Fund	151,178	51,252	19,430	183,000
Highway User Tax Distribution Fund	527	70	-	597
Other Transportation Funds	258	41	-	299
Federal Fund	9,599	1,827	-	11,426
Environmental Fund	272	216	-	488
Natural Resources Funds	3,979	667	-	4,646
Maximum Effort School Loan Fund	20,360	5,775	1,027	25,108
Special Workers Compensation Fund	1,132	285	137	1,280
Iron Range Resources and Rehabilitation Fund	230	50	-	280
Miscellaneous Special Revenue Fund	145,427	42,712	142,607	45,532
Total Amount to be Provided	$ 1,780,594	$ 823,715	$ 598,868	$ 2,005,441
Total Amount Available and to be Provided	$ 1,905,159	$ 957,949	$ 720,737	$ 2,142,371
General Long-Term Obligations Payable:				
General Obligation Bonds Payable	$ 1,404,145	$ 225,000	$ 121,499	$ 1,507,646
Loans Payable	48,479	21,439	14,345	55,573
Revenue Bonds Payable	-	39,300	1,300	38,000
Grants Payable	306,036	312,121	306,036	312,121
Compensated Absences Payable	113,907	15,152	-	129,059
Workers Compensation Liability	-	75,000	-	75,000
Capital Leases Payable	16,279	6,347	4,938	17,688
Pension Liabilities	2,262	78	1,490	850
Claims and Judgements Payable	9,948	-	9,948	-
Arbitrage Payable	4,103	2,331	-	6,434
Total General Long-Term Obligations Payable	$ 1,905,159	$ 696,768	$ 459,556	$ 2,142,371

GENERAL OBLIGATION
DEBT SCHEDULES

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1991 - 2010

PRINCIPAL PAYMENTS - BOLD INTEREST PAYMENTS - MEDIUM FACE

($ in Thousands)

FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT OUTSTANDING 6-30-90	1991	1992	1993	1994	1995	1996	1997
GENERAL FUND									
STATE BUILDING (VOC-TECH)	'75-436	**$4,825**	**$775** 251	**$775** 207	**$775** 163	**$775** 119	**$775** 76	**$775** 34	**$175** 9
STATE BUILDING,CAPITAL IMPROVEMENT	'69-1159	**4,725**	**4,725** 185	-- --	-- --	-- --	-- --	-- --	-- --
	'71-963	**17,659**	**5,368** 566	**5,368** 441	**2,268** 314	**2,268** 190	**1,268** 95	**685** 43	**435** 12
	'73-778	**14,175**	**2,329** 699	**2,329** 580	**2,329** 459	**2,329** 337	**1,829** 229	**1,566** 141	**1,358** 65
	'74-541	**1,024**	**205** 53	**205** 41	**205** 29	**205** 16	**205** 5	-- --	-- --
	'75-436	**5,877**	**847** 292	**847** 249	**847** 205	**847** 162	**847** 117	**847** 72	**795** 29
	'76-348	**19,039**	**2,693** 941	**2,693** 810	**2,693** 679	**2,693** 544	**2,693** 409	**2,693** 271	**2,693** 132
	'77-421	**3,750**	**375** 237	**375** 215	**375** 192	**375** 169	**375** 145	**375** 122	**375** 98
	'77-451	**15,140**	**1,743** 807	**1,743** 718	**1,743** 628	**1,743** 537	**1,743** 445	**1,743** 352	**1,743** 258
	'78-792	**31,592**	**3,325** 1,879	**3,325** 1,691	**3,325** 1,500	**3,325** 1,307	**3,325** 1,112	**3,325** 916	**3,325** 716
	'79-301	**20,000**	**2,000** 1,265	**2,000** 1,145	**2,000** 1,023	**2,000** 899	**2,000** 774	**2,000** 648	**2,000** 520
	'79-338	**1,287**	**322** 96	**322** 68	**322** 41	**322** 14	-- --	-- --	-- --
	'81-304	**1,794**	**449** 133	**449** 95	**449** 57	**449** 19	-- --	-- --	-- --
	'81-334	**5,169**	**605** 334	**581** 293	**582** 253	**576** 212	**361** 179	**305** 158	**305** 139
	'81-361	**576**	**140** 43	**140** 31	**140** 19	**140** 7	**15** 1	-- --	-- --
	'81-362	**5,620**	**1,219** 443	**1,219** 336	**1,219** 229	**1,219** 122	**743** 34	-- --	-- --
	'81-4	**1,429**	**325** 111	**325** 82	**325** 54	**325** 26	**129** 6	-- --	-- --
	'82-639	**183**	**46** 14	**46** 10	**46** 6	**46** 2	-- --	-- --	-- --
	'83-344	**21,352**	**4,715** 1,646	**4,588** 1,254	**4,598** 864	**4,557** 468	**2,894** 134	-- --	-- --
	'84-597	**83,994**	**13,161** 5,460	**14,090** 4,498	**14,112** 3,503	**13,892** 2,497	**11,179** 1,585	**5,410** 1,012	**945** 814
	X'85-15	**125,408**	**16,496** 7,997	**16,743** 6,868	**17,196** 5,710	**16,896** 4,511	**13,691** 3,435	**10,800** 2,623	**7,025** 2,052
	'87-400	**148,651**	**9,691** 9,485	**9,835** 8,849	**9,790** 8,209	**9,785** 7,571	**9,725** 6,936	**9,580** 6,305	**9,105** 5,693
	X'87-3	**415**	**20** 28	**20** 26	**20** 25	**20** 24	**20** 22	**20** 21	**20** 20
	'89-290	**5,800**	**290** 375	**290** 356	**290** 337	**290** 317	**290** 298	**290** 279	**290** 260
	'89-300	**47,965**	**2,400** 3,100	**2,400** 2,941	**2,400** 2,783	**2,400** 2,624	**2,400** 2,466	**2,400** 2,308	**2,400** 2,149
	'89-41	**3,745**	**190** 242	**190** 229	**190** 217	**190** 204	**190** 192	**190** 179	**190** 167

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1991 - 2010

PRINCIPAL PAYMENTS - BOLD INTEREST PAYMENTS - MEDIUM FACE

($ in Thousands)

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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53	**53**	--	--	--	--	--	--	--	--	--	--	--
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93	**93**	--	--	--	--	--	--	--	--	--	--	--
11	5	--	--	--	--	--	--	--	--	--	--	--
375	**375**	**375**	--	--	--	--	--	--	--	--	--	--
73	49	24	--	--	--	--	--	--	--	--	--	--
1,743	**1,193**	--	--	--	--	--	--	--	--	--	--	--
164	69	--	--	--	--	--	--	--	--	--	--	--
3,325	**3,325**	**1,665**	--	--	--	--	--	--	--	--	--	--
515	312	108	--	--	--	--	--	--	--	--	--	--
2,000	**2,000**	**2,000**	--	--	--	--	--	--	--	--	--	--
390	260	130	--	--	--	--	--	--	--	--	--	--
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305	**305**	**305**	**305**	**305**	**305**	**5**	**5**	**5**	**5**	**5**	--	--
119	99	78	56	35	13	2	1	1	1	--	--	--
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1,125	**2,080**	**2,080**	**1,985**	**1,985**	**1,950**	--	--	--	--	--	--	--
746	639	495	352	211	70	--	--	--	--	--	--	--
6,805	**2,750**	**3,215**	**3,190**	**3,255**	**3,180**	**760**	**755**	**755**	**755**	**750**	**195**	**195**
1,599	1,282	1,079	857	632	406	267	214	160	106	53	20	7
9,110	**9,220**	**5,850**	**5,850**	**5,890**	**5,845**	**5,625**	**5,625**	**5,625**	**5,625**	**5,625**	**5,625**	**5,625**
5,094	4,487	3,988	3,600	3,212	2,823	2,443	2,071	1,696	1,319	942	565	188
25	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**	--	--
18	17	15	13	12	10	8	6	5	3	1	--	--
290	**290**	**290**	**290**	**290**	**290**	**290**	**290**	**290**	**290**	**290**	**290**	**290**
241	222	203	183	164	145	126	107	87	68	49	29	10
2,400	**2,400**	**2,400**	**2,400**	**2,400**	**2,400**	**2,395**	**2,395**	**2,395**	**2,395**	**2,395**	**2,395**	**2,395**
1,991	1,832	1,674	1,516	1,357	1,199	1,040	882	722	562	401	241	80
190	**190**	**185**	**185**	**185**	**185**	**185**	**185**	**185**	**185**	**185**	**185**	**185**
154	142	129	117	105	93	80	68	56	43	31	19	6

Note: Columns may not add due to rounding.

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1991 - 2010

PRINCIPAL PAYMENTS - BOLD INTEREST PAYMENTS - MEDIUM FACE

($ in Thousands)

FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT OUTSTANDING 6-30-90	1991	1992	1993	1994	1995	1996	1997
STATE BUILDING, TAXABLE BONDS	'87-400	**5,210**	**290** 483	**290** 456	**290** 428	**290** 401	**290** 373	**290** 346	**290** 318
STATE SCHOOL ENERGY BUILDING BOND	'83-323	**10,300**	**1,800** 579	**1,800** 453	**1,800** 311	**1,800** 206	**1,800** 137	**1,300** 52	-- --
REFUNDING BONDS	'85- 16A.66	**414,085**	-- 28,772	-- 28,772	**1,585** 28,724	**16,115** 28,177	**27,375** 26,737	**41,615** 24,321	**35,844** 21,559
REINVESTMENT IN MINNESOTA (RIM)	'86-383	**12,800**	**1,600** 739	**1,600** 643	**1,600** 547	**1,600** 451	**1,600** 355	**1,600** 258	**1,600** 157
	'89-300	**500**	**25** 32	**25** 31	**25** 29	**25** 27	**25** 26	**25** 24	**25** 22
RURAL FINANCE AUTHORITY (RFA)	'86-398	**8,575**	-- 642	**2,500** 586	-- 419	**750** 386	-- 352	-- 352	**505** 335
STATE BUILDING (NATURAL RESOURCES)	'75-415	**7,000**	**1,000** 348	**1,000** 296	**1,000** 244	**1,000** 191	**1,000** 138	**1,000** 83	**1,000** 28
POLLUTION CONTROL	X'71-20	**6,675**	**1,738** 158	**1,738** 128	**1,738** 98	**488** 68	**488** 40	**488** 13	-- --
	'73-771	**6,825**	**1,013** 341	**1,013** 290	**1,013** 239	**1,013** 186	**1,013** 134	**1,013** 82	**750** 38
	'75-354	**13,750**	**1,450** 816	**1,450** 734	**1,450** 651	**1,450** 567	**1,450** 482	**1,450** 397	**1,450** 310
	'77-418	**500**	**50** 32	**50** 29	**50** 26	**50** 22	**50** 19	**50** 16	**50** 13
	'79-285	**1,200**	**300** 89	**300** 64	**300** 38	**300** 13	-- --	-- --	-- --
	'83-116	**10,163**	**2,555** 706	**2,306** 525	**2,326** 349	**2,247** 164	**729** 35	-- --	-- --
	'84-597	**15,670**	**1,730** 930	**2,175** 813	**2,165** 683	**2,135** 554	**1,925** 432	**1,550** 326	**260** 270
	'87-400	**27,325**	**1,365** 1,766	**1,365** 1,676	**1,365** 1,586	**1,365** 1,496	**1,365** 1,406	**1,365** 1,315	**1,365** 1,225
	'89-300	**7,575**	**380** 489	**380** 464	**380** 439	**380** 414	**380** 389	**380** 364	**380** 339
STATE BUILDING (PARKS & RECREATION)	'77-421	**21,600**	**2,700** 1,049	**2,700** 922	**2,700** 794	**2,700** 664	**2,700** 535	**2,700** 402	**2,700** 270
STATE TRANSPORTATION	'76-339	**8,750**	**1,250** 429	**1,250** 369	**1,250** 310	**1,250** 249	**1,250** 188	**1,250** 125	**1,250** 63
	'77-277	**20,600**	**2,500** 1,037	**2,500** 916	**2,500** 793	**2,500** 669	**2,500** 545	**2,500** 419	**2,500** 292
	'79-280	**16,693**	**2,908** 1,113	**2,763** 911	**2,776** 710	**2,725** 503	**1,571** 338	**845** 252	**675** 203
	'80-610	**1,280**	**285** 100	**285** 75	**285** 50	**285** 25	**140** 6	-- --	-- --
	'84-597	**3,001**	**600** 243	**600** 190	**600** 136	**600** 83	**600** 28	-- --	-- --
	X'85-15	**1,710**	**95** 113	**95** 107	**95** 101	**95** 95	**95** 88	**95** 82	**95** 76
	'89-300	**2,000**	**100** 129	**100** 123	**100** 116	**100** 109	**100** 103	**100** 96	**100** 90
VIETNAM VETERANS' BONUS	'73-204	**12,000**	**3,000** 512	**3,000** 367	**3,000** 221	**3,000** 74	-- --	-- --	-- --

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1991 - 2010

PRINCIPAL PAYMENTS - BOLD INTEREST PAYMENTS - MEDIUM FACE

($ in Thousands)

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
290	**290**	**290**	**290**	**290**	**290**	**290**	**290**	**290**	**285**	**285**	--	--
291	263	236	208	180	152	125	97	69	41	14	--	--
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38,565	**43,434**	**46,515**	**37,600**	**30,360**	**32,692**	**25,461**	**16,990**	**8,091**	**8,091**	**3,751**	--	--
18,954	16,150	13,068	10,165	7,801	5,590	3,535	2,029	1,134	556	133	--	--
1,600	--	--	--	--	--	--	--	--	--	--	--	--
53	--	--	--	--	--	--	--	--	--	--	--	--
25	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**	**25**
21	19	17	16	14	13	11	9	8	6	4	3	1
3,000	**680**	**1,140**	--	--	--	--	--	--	--	--	--	--
220	98	38	--	--	--	--	--	--	--	--	--	--
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1,450	**1,450**	**700**	--	--	--	--	--	--	--	--	--	--
222	134	46	--	--	--	--	--	--	--	--	--	--
50	**50**	**50**	--	--	--	--	--	--	--	--	--	--
10	7	3	--	--	--	--	--	--	--	--	--	--
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235	**700**	**700**	**690**	**690**	**715**	--	--	--	--	--	--	--
254	222	174	125	76	26	--	--	--	--	--	--	--
1,365	**1,365**	**1,365**	**1,365**	**1,365**	**1,365**	**1,365**	**1,365**	**1,370**	**1,370**	**1,370**	**1,370**	**1,370**
1,135	1,045	955	865	775	685	595	504	413	321	229	138	46
380	**380**	**380**	**380**	**380**	**380**	**380**	**380**	**375**	**375**	**375**	**375**	**375**
314	289	264	239	214	189	163	138	113	88	63	38	13
2,700	--	--	--	--	--	--	--	--	--	--	--	--
135	--	--	--	--	--	--	--	--	--	--	--	--
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2,500	**600**	--	--	--	--	--	--	--	--	--	--	--
164	35	--	--	--	--	--	--	--	--	--	--	--
690	**740**	**740**	**90**	**90**	**80**	--	--	--	--	--	--	--
159	112	64	15	9	3	--	--	--	--	--	--	--
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95	**95**	**95**	**95**	**95**	**95**	**95**	**95**	**95**	**95**	**95**	--	--
70	64	57	51	44	38	31	24	17	10	3	--	--
100	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**
83	76	70	63	57	50	43	37	30	23	17	10	3
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Note: Columns may not add due to rounding.

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1991 - 2010

PRINCIPAL PAYMENTS - BOLD INTEREST PAYMENTS - MEDIUM FACE

($ in Thousands)

FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT OUTSTANDING 6-30-90	1991	1992	1993	1994	1995	1996	1997
WASTE MANAGEMENT	'80-564	**6,016**	**846** 368	**926** 311	**928** 251	**910** 191	**668** 139	**485** 103	**80** 85
	X'85-15	**9,784**	**988** 637	**986** 571	**959** 505	**952** 439	**704** 382	**550** 340	**365** 311
	'87-400	**175**	**5** 11	**5** 11	**5** 11	**5** 10	**5** 10	**10** 10	**10** 9
EXCHANGE BONDS	'85-16A.66	**6,289**	-- 3	-- 3	-- 3	-- 3	-- 3	-- 3	-- 3
ZOOLOGICAL GARDENS	'73-207	**8,450**	**1,700** 421	**1,750** 325	**1,800** 225	**1,875** 121	**1,175** 39	**75** 8	**75** 4
TOTAL GENERAL FUND		**1,257,693**	**106,725** 79,770	**105,847** 73,193	**102,321** 66,537	**115,671** 59,458	**107,695** 52,153	**103,740** 45,272	**84,549** 39,152
FAMILY FARM SECURITY LOAN BOND FUND									
FAMILY FARM SECURITY BONDS	X'86-2	**12,000**	**8,000** 768	**4,000** 174	-- --	-- --	-- --	-- --	-- --
TOTAL FAMILY FARM SECURITY		**12,000**	**8,000** 768	**4,000** 174	-- --	-- --	-- --	-- --	-- --
GAME AND FISH FUND									
STATE BUILDING,CAPITAL IMPROVEMENT	'79-338	**10**	**3** 1	**3** 1	**3** --	**3** --	-- --	-- --	-- --
REFUNDING BONDS	'85-16A.66	**511**	-- 35	-- 35	-- 35	**20** 34	**40** 32	**55** 29	**46** 25
TOTAL GAME AND FISH FUND		**521**	**3** 36	**3** 36	**3** 35	**23** 34	**40** 32	**55** 29	**46** 25
TRUNK HIGHWAY FUND									
REFUNDING BONDS	'85-16A.66	**42,480**	-- 2,879	-- 2,879	**215** 2,872	**2,195** 2,798	**2,125** 2,662	**3,245** 2,487	**8,705** 2,092
TRUNK HIGHWAY	'77-277	**16,200**	**2,500** 885	**2,500** 731	**2,500** 577	**2,500** 422	**1,550** 307	**1,550** 231	**1,550** 155
	'83-17	**12,675**	**2,585** 1,020	**2,585** 791	**2,585** 562	**2,585** 332	**2,335** 108	-- --	-- --
TOTAL TRUNK HIGHWAY FUND		**71,355**	**5,085** 4,784	**5,085** 4,401	**5,300** 4,011	**7,280** 3,551	**6,010** 3,077	**4,795** 2,718	**10,255** 2,247
MAXIMUM EFFORT SCHOOL LOAN FUND									
REFUNDING BONDS	'85-16A.66	**14,060**	-- 959	-- 959	**25** 959	**245** 950	**235** 935	**360** 916	**355** 892
SCHOOL LOANS	'69-1056	**3,375**	**435** 179	**435** 156	**435** 134	**435** 111	**435** 87	**435** 64	**435** 40
	'80-545	**5,551**	**432** 366	**415** 337	**416** 308	**411** 278	**306** 252	**255** 233	**255** 217
	'88-718	**3,150**	**160** 203	**160** 193	**150** 182	**160** 172	**160** 161	**155** 151	**155** 141
TOTAL MAXIMUM EFFORT SCHOOL LOAN FUND		**26,136**	**1,027** 1,708	**1,010** 1,645	**1,036** 1,582	**1,251** 1,511	**1,136** 1,436	**1,205** 1,364	**1,200** 1,289
CIGARETTE TAX BONDS									
STATE BUILDING,CAPITAL IMPROVEMENT	'87-400	**112,290**	**11,545** 6,926	**11,545** 6,193	**11,545** 5,459	**11,550** 4,725	**11,550** 3,991	**11,550** 3,253	**11,555** 2,509
TOTAL CIGARETTE TAX BONDS		**112,290**	**11,545** 6,926	**11,545** 6,193	**11,545** 5,459	**11,550** 4,725	**11,550** 3,991	**11,550** 3,253	**11,555** 2,509

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1991 - 2010

PRINCIPAL PAYMENTS - BOLD INTEREST PAYMENTS - MEDIUM FACE

($ in Thousands)

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
80	**220**	**220**	**220**	**220**	**215**	--	--	--	--	--	--	--
80	70	54	39	23	8	--	--	--	--	--	--	--
365	**435**	**435**	**440**	**440**	**440**	**345**	**345**	**345**	**345**	**345**	--	--
287	260	231	201	171	140	112	88	63	38	13	--	--
10	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**
8	8	7	6	6	5	4	4	3	2	2	1	0
--	--	--	**3,145**	**3,145**	--	--	--	--	--	--	--	--
3	3	3	2	1	--	--	--	--	--	--	--	--
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81,340	**74,874**	**71,155**	**58,680**	**51,545**	**50,587**	**37,356**	**28,880**	**19,981**	**19,976**	**15,631**	**10,570**	**10,570**
33,584	28,272	23,209	18,691	15,098	11,656	8,586	6,278	4,576	3,187	1,954	1,062	354
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45	**51**	**55**	**50**	**40**	**38**	**29**	**20**	**9**	**9**	**4**	--	--
22	19	15	12	9	6	4	2	1	1	--	--	--
45	**51**	**55**	**50**	**40**	**38**	**29**	**20**	**9**	**9**	**4**	--	--
22	19	15	12	9	6	4	2	1	1	--	--	--
4,510	**4,440**	**4,380**	**3,180**	**2,610**	**2,570**	**2,535**	**590**	**590**	**590**	--	--	--
1,651	1,346	1,043	783	581	399	217	106	64	21	--	--	--
1,550	--	--	--	--	--	--	--	--	--	--	--	--
78	--	--	--	--	--	--	--	--	--	--	--	--
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6,060	**4,440**	**4,380**	**3,180**	**2,610**	**2,570**	**2,535**	**590**	**590**	**590**	--	--	--
1,729	1,346	1,043	783	581	399	217	106	64	21	--	--	--
1,280	**1,625**	**1,850**	**1,700**	**1,595**	**1,750**	**1,275**	**900**	**310**	**310**	**245**	--	--
837	741	626	506	393	276	170	94	51	28	9	--	--
135	**135**	**60**	--	--	--	--	--	--	--	--	--	--
20	12	4	--	--	--	--	--	--	--	--	--	--
255	**255**	**255**	**255**	**255**	**260**	**260**	**260**	**255**	**255**	**255**	**120**	**120**
200	183	166	149	132	114	97	79	61	43	25	12	4
155	**155**	**155**	**155**	**155**	**155**	**155**	**155**	**160**	**160**	**160**	**160**	**160**
130	120	110	100	89	79	69	59	48	38	27	16	5
1,825	**2,170**	**2,320**	**2,110**	**2,005**	**2,165**	**1,690**	**1,315**	**725**	**725**	**660**	**280**	**280**
1,188	1,057	906	755	614	470	336	231	159	109	60	28	9
11,555	**10,555**	**2,335**	**2,335**	**2,335**	**2,335**	--	--	--	--	--	--	--
1,754	1,018	581	417	251	84	--	--	--	--	--	--	--
11,555	**10,555**	**2,335**	**2,335**	**2,335**	**2,335**	--	--	--	--	--	--	--
1,754	1,018	581	417	251	84	--	--	--	--	--	--	--

Note: Columns may not add due to rounding.

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1991 - 2010

PRINCIPAL PAYMENTS - BOLD INTEREST PAYMENTS - MEDIUM FACE

($ in Thousands)

FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT OUTSTANDING 6-30-90	1991	1992	1993	1994	1995	1996	1997
SPORTS AND HEALTH CLUB TAX BONDS									
STATE BUILDING,CAPITAL IMPROVEMENT	'87-400	**27,625**	**1,605** 1,807	**1,605** 1,704	**1,605** 1,602	**1,610** 1,499	**1,610** 1,396	**1,615** 1,292	**1,615** 1,187
TOTAL SPORTS AND HEALTH TAX BONDS		**27,625**	**1,605** 1,807	**1,605** 1,704	**1,605** 1,602	**1,610** 1,499	**1,610** 1,396	**1,615** 1,292	**1,615** 1,187
STATE UNIVERSITY BOARD									
REVENUE BOND FUND	'69-1152	**4,115**	**4,115** 222	-- --	-- --	-- --	-- --	-- --	-- --
	'73-759	**4,625**	**200** 231	**200** 221	**200** 210	**4,025** 103	-- --	-- --	-- --
TOTAL STATE UNIVERSITY BOARD REVENUE BOND FUND		**8,740**	**4,315** 453	**200** 221	**200** 210	**4,025** 103	-- --	-- --	-- --
TOTAL PRINCIPAL - ALL FUNDS (1)		**1,516,360**	**138,305**	**129,295**	**122,010**	**141,410**	**128,040**	**122,960**	**109,220**
TOTAL INTEREST - ALL FUNDS			96,251	87,567	79,436	70,881	62,085	53,928	46,409
TOTAL DEBT SERVICE - ALL FUNDS (2)			**234,556**	**216,862**	**201,446**	**212,291**	**190,125**	**176,888**	**155,629**

(1) Does not include this issue.

(2) The Total Debt Service - All Funds does not include $49,500,000 of bonds dated November 1,1980 ; $31,500,000 of bonds dated August 1,1981; $37,200,000 of bonds dated May 1, 1982; $40,950,000 of bonds dated August 1, 1982; $44,500,000 of bonds dated August 1, 1983; $86,000,000 of bonds dated March 1, 1984; $48,300,000 of bonds dated July 2. 1984; and $116,500,000 of bonds dated June 1, 1985 for which funds are held in escrow, have been invested and will be sufficient to pay the principal of, and interest on, the bonds to their earliest call date.

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT

SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1991 - 2010

PRINCIPAL PAYMENTS - BOLD INTEREST PAYMENTS - MEDIUM FACE

($ in Thousands)

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1,615	**1,615**	**1,615**	**1,610**	**1,610**	**1,610**	**1,275**	**1,275**	**1,275**	**1,275**	**1,275**	**155**	**155**
1,082	974	866	756	645	533	432	341	250	158	67	16	5
1,615	**1,615**	**1,615**	**1,610**	**1,610**	**1,610**	**1,275**	**1,275**	**1,275**	**1,275**	**1,275**	**155**	**155**
1,082	974	866	756	645	533	432	341	250	158	67	16	5
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102,440	**93,705**	**81,860**	**67,965**	**60,145**	**59,305**	**42,885**	**32,080**	**22,580**	**22,575**	**17,570**	**11,005**	**11,005**
39,359	32,685	26,620	21,413	17,199	13,149	9,576	6,959	5,051	3,476	2,082	1,106	369
141,799	**126,390**	**108,480**	**89,378**	**77,344**	**72,454**	**52,461**	**39,039**	**27,631**	**26,051**	**19,652**	**12,111**	**11,374**

Note: Columns may not add due to rounding.

STATE OF MINNESOTA
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION DEBT
BY PURPOSE AS OF JUNE 30, 1990
(In Thousands)

Authorization	Type	Total Authorized	Components/Purpose	Amounts Authorized	Issued	Net Authorized Unissued
1971–856 (1)	Municipal Aid	$ 4,330	Municipal Aid	$ 4,330	$ –	$ 4,330
1980–564	Waste Management	15,000	Waste Processing Facility Assistance	8,800		
			Acquisition of Real Property for Hazardous Waste Facility Sites	6,200	12,500	2,500
1983–323	Building	30,000	School Energy	30,000	23,000	7,000
1984–597	Transportation	16,000	Railroad Rehabilitation	12,000		
			Local Interstate Substitution	4,000	9,000	7,000
x1985–15	Transportation	2,035	Interstate Substitution	2,035	1,800	235
x1985–15	Waste Management	11,400	Waste Processing Facility Assistance	11,400	11,300	100
1986–398	Rural Finance Authority	50,000	Farm Loan Restructuring	50,000	8,575	41,425
1987–400	Building	370,972.2	Supreme Court	32,500		
			Administration	19,656.8		
			Capital Area Architectual Planning Board	300		
			Natural Resources	16,770		
			Energy & Economic Development	46,250		
			Iron Range Resources and Rehabilitation Board	2,200		
			Military Affairs	2,500		
			Veterans Affairs	2,500		
			Historical Society	54,284		
			Education	10,981		
			Vocational Technical Education	33,198.1		
			Community College	34,960		
			State Universities	52,491.2		
			University of Minnesota	47,779.7		
			Corrections	2,274.4		
			Human Services	7,875		
			Minnesota Center for the Arts	4,000		
			Other	452	290,565.5	80,406.7
1987–400	Transportation	8,800	County Municipal Township Bridges	8,800	5,200	3,600
1987–400	Waste Management	4,000	Waste Processing Facility Assistance	4,000	175	3,825
1987–400	Water Pollution Control	66,747	Prevention, Control, Abatement of Water Pollution	66,747	37,025	29,722
1987–400	Reinvest in Minnesota	19,000	Agriculture	9,000		
			Natural Resources	10,000	17,200	1,800
1988–718 (2)	School Loan	22,000	Acquisition and Betterment of Public School Land and Buildings	22,000	3,150	18,850
1988–718 (2)	Building	6,000	Cooperative Secondary Facilities Grant Program	6,000	–	6,000
1989–41	Building	3,799	Administration	3,799	3,745	54
1989–290	Building	10,755	Administration	10,755	5,800	4,955
1989–300	Building	142,585	Vocational Technical Education	5,485		
			Community Colleges	5,805		
			State Universities	27,680		
			University of Minnesota	14,415		
			Education	2,703		
			Human Services	11,751		
			Corrections	2,600		
			Health	390		

STATE OF MINNESOTA
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION DEBT BY PURPOSE AS OF JUNE 30, 1990
(In Thousands)

Authorization	Type	Total Authorized	Components/Purpose	Amounts Authorized	Issued	Net Authorized Unissued
			Veterans Home Board	165		
			Jobs and Training	1,000		
			Historical Society	301		
			Administration	36,359		
			Capital Area Architectural and Planning Board	450		
			Natural Resources	3,357		
			Pollution Control Agency	10,125		
			Public Facilities Authority	12,700		
			Trade and Economic Development	6,780		
			Military Affairs	400		
			Other	119	55,540	87,045
1989-300	Transportation	8,000	County Municipal Township Bridges	8,000	2,000	6,000
1989-300	Reinvest in Minnesota		Board of Water and Soil Resources	1,500		
		5,000	Natural Resources	3,500	500	4,500
1990-365	Building	1,954	Community Colleges	1,954	-	1,954
1990-610	Building	340,795	Technical Colleges	25,362		
			Community Colleges	50,500		
			State Universities	42,945		
			University of Minnesota	71,480		
			Education	4,793		
			Human Services	22,675		
			Corrections	13,121		
			Health	1,376		
			Veterans Home Board	1,750		
			Jobs and Training	750		
			Historical Society	3,475		
			Administration	13,950		
			Capital Area Architectural and Planning Board	300		
			Natural Resources	14,950		
			Pollution Control Agency	27,225		
			Public Facilities Authority	30,954		
			Trade and Economic Development	7,500		
			Military Affairs	200		
			Public Safety	545		
			Indian Affairs Council	50		
			Amateur Sports Commission	5,000		
			Housing Finance Agency	1,500		
			Other	394	-	340,795
1990-610	Transportation	11,200	County Municipal Township Bridges	11,200	-	11,200
1990-610	Reinvest in Minnesota	5,395	Board of Water and Soil Resources	2,395		
			Natural Resources	3,000	-	5,395
1990-610	School Loan	23,000	Acquisition and Betterment of Public School Land and Buildings	23,000	-	23,000
1990-610	Waste Management	7,000	Waste Processing Facility Assistance	7,000	-	7,000
	Total Authorized, Unissued					$ 698,691.7

(1) Laws 1984, Chapter 597 reduced the Municipal Aid Bonds authorization in Laws 1971, Chapter 856 by $15,670,000.

(2) Laws 1989, Chapter 300 reduced the Building Bonds authorized in Laws 1988, Chapter 718 by $2,000,000. Laws 1989, Chapter 300 also increased the School Loan authorization in Laws 1988, Chapter 718 by $2,000,000.

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STATISTICAL SECTION

The following usual statistical tables are not included because they are not applicable to the state's operations: all tables relating to property tax levies and collections; computation of legal debt margin, and computation of overlapping debt. Minnesota data privacy laws prevent disclosure of the names of principal taxpayers.

STATE OF MINNESOTA
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FISCAL YEARS 1981-1990
(In Thousands)

	1981	1982	1983	1984
Individual Income Taxes	$1,892,685	$1,992,351	$2,304,202	$2,642,957
Corporate Income Taxes	352,462	358,300	287,296	340,027
Sales Taxes	690,765	879,288	1,013,837	1,264,135
Gross Earnings Taxes	141,268	139,185	176,160	147,128
Motor Vehicle Excise Tax	87,227	103,888	123,897	179,188
Motor Vehicle Licenses	136,570	153,447	178,016	198,685
Gasoline and Special Fuel Taxes	241,715	280,174	282,485	348,081
Other Taxes	356,502	378,796	360,061	355,369
Federal Revenues	1,309,202	1,213,462	1,237,041	1,395,774
Other Revenues	314,341	345,318	405,644	465,383
Gross Revenues	$5,522,737	$5,844,209	$6,368,639	$7,336,727
Less Revenue Refunds (2)	433,846	405,577	463,509	451,801
Net Revenues	$5,088,891	$5,438,632	$5,905,130	$6,884,926

STATE OF MINNESOTA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION & NET TRANSFERS-OUT (1)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FISCAL YEARS 1981-1990
(In Thousands)

	1981	1982	1983	1984
Current Expenditures:				
Protection of Persons/Property	$ 74,228	$ 77,322	$ 80,146	$ 87,285
Transportation	160,639	171,483	185,370	205,123
Resource Management	79,807	83,735	90,298	99,045
Economic/Manpower Development	108,508	108,738	112,327	131,407
Education	199,967	300,333	238,945	299,428
Health and Social Services	243,305	251,701	269,724	306,188
General Government	94,704	101,976	114,661	117,542
Capital Outlay	242,500	181,532	158,543	236,173
Debt Service	121,051	154,413	222,010	164,178
Grants and Subsidies	3,747,219	4,405,069	3,668,006	4,625,102
Total Expenditures	$5,071,928	$5,836,302	$5,140,030	$6,271,471
Net Operating Transfers-Out (3)	150,172	180,364	148,699	179,230
Total Expenditures and Net Transfers-Out	$5,222,100	$6,016,666	$5,288,729	$6,450,701

(1) Revenues and expenditures are accounted for on the modified accrual basis.

(2) Revenue for fiscal years 1981-1987 is shown at gross with revenue refunds shown separately. Fiscal years 1988 through 1990 revenue is shown net of revenue refunds.

(3) Net operating transfers-out are reduced by bond proceeds of the Special Revenue Funds for the following years:

1984	$40,000,000	1987	$ 8,000,000	1990	$20,370,000
1985	35,000,000	1988	10,500,000		
1986	1,250,000	1989	7,750,000		

STATE OF MINNESOTA
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FISCAL YEARS 1981-1990
(In Thousands)

1985	1986	1987	1988	1989	1990
$2,638,570	$2,488,268	$2,757,164	$2,626,343	$2,491,602	$2,881,050
420,235	403,121	501,091	416,646	500,177	481,311
1,357,131	1,374,652	1,478,303	1,681,263	1,779,569	1,869,592
133,041	160,611	223,995	224,490	220,007	164,139
197,213	207,774	225,617	235,907	249,507	256,589
228,017	239,409	259,112	254,061	272,476	297,351
360,517	342,349	361,386	386,971	449,621	456,723
409,425	353,868	336,660	382,140	427,094	441,290
1,462,835	1,724,286	1,765,052	1,821,810	1,959,518	2,151,582
640,057	537,426	522,133	601,652	679,575	721,114
$7,847,041	$7,831,764	$8,430,513	$8,631,283	$9,029,146	$9,720,741
558,406	683,744	574,815	-	-	-
$7,288,635	$7,148,020	$7,855,698	$8,631,283	$9,029,146	$9,720,741

STATE OF MINNESOTA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION & NET TRANSFERS-OUT (1)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FISCAL YEARS 1981-1990
(In Thousands)

1985	1986	1987	1988	1989	1990
$ 94,708	$ 103,018	$ 105,574	$ 118,376	$ 129,357	$ 142,613
219,422	223,550	241,552	253,540	263,339	283,256
109,707	115,351	123,411	145,498	158,710	177,919
139,395	150,968	159,967	157,734	176,742	192,726
293,380	305,576	324,758	365,818	408,984	461,412
324,254	348,992	367,186	399,713	417,716	467,149
136,136	142,766	146,419	166,060	178,581	200,603
348,670	384,850	408,734	446,849	443,365	508,723
289,324	165,934	181,697	175,702	181,330	245,278
4,953,819	5,138,516	5,480,781	5,812,261	6,136,187	6,750,608
$6,908,815	$7,079,521	$7,540,079	$8,041,551	$8,494,311	$9,430,287
197,735	207,311	238,639	245,917	301,420	293,079
$7,106,550	$7,286,832	$7,778,718	$8,287,468	$8,795,731	$9,723,366

STATE OF MINNESOTA
ASSESSED VALUE OF TAXABLE PROPERTY
1981-1990

Year of Assessment	Real Property	Personal Property	Total Assessed Value/ Tax Capacity (1)	Percentage Increase Per Year
1981	$24,355,839,165	$657,198,624	$25,013,037,789	14.29%
1982	26,859,320,940	719,236,489	27,578,557,429	10.26
1983	27,603,262,506	769,544,956	28,372,807,462	2.88
1984	28,146,965,204	797,750,660	28,944,715,864	2.02
1985	28,412,803,371	828,890,699	29,241,694,070	1.03
1986	28,589,100,164	857,267,746	29,446,367,910	0.70
1987	29,019,276,963	875,697,037	29,894,974,000	1.52
1988 (1)	3,789,536,570	108,915,980	3,898,452,550	N/A
1989	3,023,231,788	131,014,287	3,154,246,075	N/A
1990(est)	3,119,276,000	133,508,000	3,252,784,000	N/A

(1) Laws of 1988 changed the basis for calculating taxes from the assessed value and mill rate to the gross tax capacity rate for 1988 taxes payable in 1989, and to the net tax capacity rate for 1989 and subsequent years. Therefore, values for 1988 through 1990 are not comparable with each other nor with values for earlier years.

Source: Minnesota Department of Revenue.

STATE OF MINNESOTA
MARKET VALUE OF TAXABLE PROPERTY
1981-1990

Year of Assessment	Real Property	Personal Property	Total Market Value	Percentage Increase Per Year
1981	$103,331,241,893	$1,557,557,879	$104,888,799,772	14.37%
1982	113,238,393,070	1,704,442,662	114,942,835,732	9.59
1983	118,297,105,953	1,822,351,991	120,119,457,944	4.50
1984	120,668,207,126	1,892,326,701	122,560,533,827	2.03
1985	121,217,292,475	1,967,183,838	123,184,476,313	0.51
1986	119,726,713,732	2,033,815,060	121,760,528,792	(1.16)
1987	121,569,192,136	2,077,487,365	123,646,679,501	1.55
1988	128,658,534,060	2,111,366,270	130,769,900,330	5.76
1989	135,675,706,727	2,649,874,844	138,325,581,571	5.78
1990(est)	141,922,539,000	2,727,950,000	144,650,489,000	4.57

Source: Minnesota Department of Revenue.

STATE OF MINNESOTA
SCHEDULE OF RATIO OF GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE OF TAXABLE PROPERTY AND GENERAL OBLIGATION BONDED DEBT PER CAPITA
FISCAL YEARS 1981-1990

Year	General Obligation Bonded Debt (In Thousands)	Percent Debt to Assessed Value(1)	Bonded Debt Per Capita
1981	$ 885,412	3.64 %	$215.3
1982	937,619	3.49	226.9
1983	921,800	3.34	222.4
1984	1,057,945	3.76	254.2
1985	1,130,155	3.98	269.7
1986	1,202,536	4.31	285.4
1987	1,137,560	4.07	267.9
1988	1,277,783	4.12	296.7
1989	1,404,145	N/A (2)	322.6
1990	1,507,645	N/A	343.3

(1) Includes real property only.

(2) Comparable information no longer available. See note on statistical table for assessed value of taxable property.

STATE OF MINNESOTA
SCHEDULE OF RATIO OF ANNUAL DEBT SERVICE FOR GENERAL OBLIGATION BONDED DEBT TO GENERAL EXPENDITURES
FISCAL YEARS 1981-1990
(In Thousands)

Year	Principal	Interest	Total Debt Service	General Expenditures (1)	Percent of Expenditures
1981	$ 68,313	$ 46,413	$114,726	$5,071,928	2.26%
1982	72,793	49,667	122,460	5,836,302	2.10
1983	78,819	59,042	137,861	5,140,030	2.68
1984	77,855	61,486	139,341	6,271,471	2.22
1985	84,890	71,578	156,468	6,908,815	2.26
1986	85,860	74,943	160,803	7,079,521	2.27
1987	92,665	82,515	175,180	7,540,079	2.32
1988	87,195	88,507	175,702	8,041,551	2.18
1989	83,865	87,528	171,393	8,494,311	2.02
1990	121,475	96,276	217,751	9,430,287	2.31

(1) Includes the General, Special Revenue and Debt Service Funds.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
HOUSING FINANCE AGENCY
PROGRAMS FUND
FISCAL YEARS 1981-1990
(Dollars in Thousands)

Year	Loan Repayments	Gross Revenue (1)	Direct Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements			Coverage (3)
					Principal	Interest	Total	
1981	$ 22,338	$ 92,030	$2,023	$112,345	$ 23,797	$ 67,471	$ 91,268	1.23
1982	39,842	102,180	2,284	139,738	28,771	74,182	102,953	1.36
1983	34,569	112,973	5,275	142,267	92,907	92,612	185,519	0.77
1984	46,648	127,350	3,416	170,582	37,675	104,467	142,142	1.20
1985	40,750	148,800	3,448	186,102	52,695	120,173	172,868	1.08
1986	69,833	156,115	4,820	221,128	54,934	132,598	187,532	1.18
1987	111,348	150,986	6,584	255,750	172,229	124,709	296,938	0.86
1988	92,256	156,071	5,276	243,051	115,595	125,746	241,341	1.01
1989	73,693	167,259	5,801	235,151	76,964	134,118	211,082	1.11
1990	89,099	173,082	6,238	255,943	87,114	138,088	225,202	1.14

(1) Gains (Losses) on revenue bond refundings are included.
(2) Depreciation, amortization, interest, and financing expenses are not included.
(3) Other resources not reflected above for revenue bond coverage are: federal grants and subsidies, state appropriations and fund reserves.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
HIGHER EDUCATION FACILITIES AUTHORITY
FISCAL YEARS 1981-1990
(Dollars in Thousands)

Year	Loan Repayments	Gross Revenue (1)	Direct Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements			Coverage (3)
					Principal	Interest	Total	
1981	$1,924	$4,848	$157	$6,615	$1,975	$4,468	$6,443	1.03
1982	2,016	4,941	55	6,902	2,240	4,562	6,802	1.01
1983	2,783	6,509	130	9,162	2,460	5,988	8,448	1.08
1984	2,181	7,929	144	9,966	9,535	7,606	17,141	0.58
1985	1,978	8,067	158	9,887	10,285	7,602	17,887	0.55
1986	1,936	7,788	145	9,579	2,305	7,049	9,354	1.02
1987	2,598	7,999	195	10,402	5,825	7,254	13,079	0.80
1988	1,224	7,663	286	8,601	14,675	6,884	21,559	0.40
1989	3,022	8,595	245	11,372	13,095	7,888	20,983	0.54
1990	5,814	9,071	247	14,638	7,730	8,242	15,972	0.92

(1) Investment income from nonoperating revenues is included.
(2) Depreciation, amortization, interest, and financing expenses are not included.
(3) Other sources of funds not reflected above for revenue bond coverage are state appropriations and fund reserves.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
PUBLIC FACILITIES AUTHORITY
FISCAL YEAR 1990
(Dollars in Thousands)

Year	Loan Repayments	Gross Revenue (2)	Direct Operating Expenses (3)	Net Available For Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
1990 (1)	181	9,428	584	9,025	12,390	8,618	21,008	0.43

(1) First year revenue bonds were issued.
(2) Investment income from nonoperating revenues is included.
(3) Other nonoperating expenses are included.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
STATE UNIVERSITY BOARD REVENUE FUND
FISCAL YEARS 1981-1990
(Dollars in Thousands)

Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
1981	$22,856	$14,695	$8,161	$1,395	$2,417	$3,812	2.14
1982	25,424	18,695	6,729	1,450	2,353	3,803	1.77
1983	26,113	19,951	6,162	1,552	2,286	3,838	1.61
1984	26,487	20,877	5,610	1,500	2,217	3,717	1.51
1985	29,642	21,546	8,096	1,565	2,136	3,701	2.19
1986	29,891	22,247	7,644	1,605	2,061	3,666	2.09
1987	31,695	22,637	9,058	1,655	1,983	3,638	2.49
1988	33,675	24,683	8,992	1,700	1,903	3,603	2.50
1989	36,813	26,053	10,760	1,510	1,649	3,159	3.41
1990	39,415	27,610	11,805	3,215	1,828	5,043	2.34

(1) Proceeds from grants and subsidies and investment income from nonoperating revenues are included.
(2) Depreciation, amortization, interest, and financing expenses are not included.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
HIGHER EDUCATION COORDINATING BOARD
STUDENT LOAN FUND
FISCAL YEARS 1981-1990
(Dollars in Thousands)

Year	Loan Repayments	Gross Revenue (1)	Direct Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
1981	$ 5,687	$ 33,559	$ 2,414	$ 36,832	$ -	$ 13,642	$ 13,642	2.70
1982	10,206	49,055	3,436	55,825	5,000	23,786	28,786	1.94
1983	25,908	43,434	4,678	64,664	9,000	27,580	36,580	1.77
1984	55,103	50,696	5,486	100,313	66,600	30,026	96,626	1.04
1985	103,416	52,408	5,092	150,732	108,500	29,060	137,560	1.10
1986	47,014	51,049	5,232	92,831	20,720	22,524	43,244	2.15
1987	29,449	36,295	5,359	60,385	20,585	19,806	40,391	1.50
1988	37,077	37,417	6,152	68,342	22,000	18,431	40,431	1.69
1989	37,012	20,117	4,324	52,805	114,427	4,263	118,690	0.44
1990	27,502	21,106	4,564	44,044	2,300	3,629	5,929	7.43

(1) Proceeds from nonstate grants and subsidies are included. Also included are gains (losses) on revenue bond refundings and investment income from nonoperating revenues.
(2) Depreciation, amortization, interest, and financing expenses are not included.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
AGRICULTURAL AND ECONOMIC DEVELOPMENT BOARD
FISCAL YEARS 1985-1990
(Dollars in Thousands)

Year	Loan Repayments	Gross Revenue (2)	Direct Operating Expenses (3)	Net Available For Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
1985 (1)	$ -	$ 3,071	$2,195	$ 876	$ -	$ 372	$ 372	2.35
1986	529	8,827	4,521	4,835	120	4,696	4,816	1.00
1987	1,269	12,297	3,472	10,094	575	8,564	9,139	1.10
1988	1,721	10,759	5,244	7,236	2,485	8,829	11,314	0.64
1989	1,228	10,860	4,214	7,874	10,730	8,805	19,535	0.40
1990	1,491	4,448	437	5,502	1,300	3,028	4,328	1.27

(1) First year revenue bonds were issued.
(2) Investment income from nonoperating revenues is included.
(3) Other nonoperating expenses are included.

MINNESOTA BANK DEPOSITS AND GROSS RETAIL SALES
1981-1990
(In Millions)

Year	Bank Deposits	Retail Sales
1981	$27,415	$20,115
1982	30,028	20,833
1983	33,946	23,150
1984	37,263	25,948
1985	39,236	26,734
1986	41,601	29,450
1987	42,400	30,994
1988	41,176	33,302
1989	40,799	N/A
1990	N/A	N/A

Sources: Federal Deposit Insurance Corporation.
Minnesota Department of Revenue, Unpublished.

MINNESOTA POPULATION, PER CAPITA PERSONAL INCOME AND UNEMPLOYMENT RATE
1981-1990

Year	Population (In Thousands)	Personal Income	Unemployment Rate
1981	4,113	$11,015	5.5%
1982	4,133	11,549	7.8
1983	4,146	12,069	8.2
1984	4,164	13,410	6.3
1985	4,191	14,144	6.0
1986	4,214	14,900	5.3
1987	4,246	15,788	5.4
1988	4,307	16,653	4.0
1989	4,353	17,747	4.4
1990 (est)	4,392	18,675	4.9

Source: Data Resources Incorporated.

STATE OF MINNESOTA
NEW HOUSING UNITS AUTHORIZED IN PERMIT-ISSUING LOCALITIES
1981-1990
(In Thousands)

YEAR	VALUATION	YEAR	VALUATION
1981	$ 840,449	1986	$2,141,579
1982	909,185	1987	2,421,528
1983	1,321,444	1988	2,071,921
1984	1,456,444	1989	1,946,611
1985	1,650,678	1990	N/A

Source: U.S. Bureau of the Census Construction Reports.

EMPLOYMENT MIX IN MINNESOTA
1981-1990
(In Thousands)

Category	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990 (est)
Manufacturing Durable	218.9	205.9	204.7	225.6	225.6	218.1	221.7	234.5	235.1	230.6
Manufacturing Non-Durable	145.0	140.8	141.3	148.1	149.7	150.7	154.7	159.6	164.0	166.4
Mining	15.7	9.4	8.4	9.3	8.3	6.5	6.0	7.2	7.6	8.1
Construction	68.2	60.0	60.2	67.4	71.3	74.9	80.3	77.9	79.2	80.3
Transportation/Public Utilities	97.4	93.1	92.7	96.9	98.3	98.0	99.9	101.7	105.3	109.0
Trade	438.7	428.3	429.1	454.4	464.3	469.3	487.9	505.2	517.4	525.1
Finance/Insurance/Real Estate	97.8	98.2	101.2	106.1	110.3	115.0	119.1	119.6	120.5	122.9
Service	379.9	380.8	392.4	416.5	435.0	452.4	477.8	501.5	534.4	556.2
Government	299.0	289.6	286.7	293.7	301.2	307.9	313.8	320.8	327.6	333.8
Agriculture	122.3	121.2	97.2	115.1	113.1	96.0	97.9	101.2	99.3	90.9
Total Employed	1,882.9	1,827.3	1,813.9	1,933.1	1,977.1	1,988.8	2,059.1	2,129.2	2,190.4	2,223.3

Source: Minnesota Department of Jobs and Training.

STATE OF MINNESOTA
AVERAGE DAILY PUBLIC SCHOOL MEMBERSHIP

School Year	Kindergarten	Elementary	Secondary	Total All Grades
1980-81	52,732	319,096	379,545	751,373
1981-82	52,143	309,421	367,541	729,105
1982-83	54,130	297,255	359,585	710,970
1983-84	56,006	290,904	353,273	700,183
1984-85	58,129	292,873	344,817	695,819
1985-86	61,151	301,282	336,573	699,006
1986-87	60,893	312,687	331,496	705,076
1987-88	61,915	327,518	323,314	712,747
1988-89	61,917	340,969	315,349	718,235
1989-90(est)	61,960	353,883	312,779	728,622

Source: Minnesota Department of Education.

MINNESOTA BASED CORPORATIONS INCLUDED IN THE FORTUNE 500
(Dollars in Thousand)

Rank							
1989	1988	Company	Sales	Assets	Rank	Net Income	Rank
32	34	Minnesota Mining & Manufacturing	$11,990,000	$9,776,000	40	$1,244,000	16
65	60	Honeywell	7,241,600	5,258,200	86	604,100	40
85	76	General Mills	5,798,000	2,888,100	152	414,300	63
153	125	Control Data	2,952,100	1,860,700	203	(680,400)	475
183	179	Land O'Lakes	2,442,200	721,200	358	N/A	-
190	186	Geo. A. Hormel	2,340,500	727,400	356	70,100	252
224	231	International Multifoods	1,883,500	716,000	362	35,100	325
293	296	Deluxe Check Printers	1,320,600	847,000	331	152,600	163
317	370	Pentair	1,163,600	781,400	347	36,400	318
333	319	Bemis	1,076,700	631,600	378	47,000	295
391	385	Cray Research	784,700	955,800	310	89,000	222
403	408	H.B. Fuller	753,400	455,200	434	15,700	393
405	424	Medtronic	746,600	759,600	351	97,400	213
424	450	Jostens	696,400	452,800	435	54,400	282
441	438	Toro	650,800	326,000	469	22,100	372

Source: Fortune Magazine, dated April 23, 1990.

STATE OF MINNESOTA
MISCELLANEOUS STATISTICS
JUNE 30, 1990

Date of Statehood	May 11, 1858 - 32nd State
Land Area - 12th Largest State	84,068 Square Miles
Higher Education:	
2 Year State Community Colleges	18
4 Year State Universities	7
University of Minnesota	6 Campuses
2 Year Technical Colleges	30
4 Year Private Colleges	30
2 Year Private Colleges	3
Private Professional Schools	6
Private Vocational Schools	56
Trade Routes:	
Miles of Highways	132,729
Miles of Main Line Railroad Track	4,880
Public Airports	140
Waterways -	
Lake Superior	
Mississippi River	
Recreation:	
Lakes	11,842
State Forests	55
Area of State Forests	3,200,000 Acres
State Parks	65
Area of State Parks	220,000 Acres

Sources: Community College System
Higher Education Coordinating Board
Department of Natural Resources
State University System
Department of Transportation
Vocational Technical Education